

KAMIESBERG

MUNICIPALITY



FINANCIAL STATEMENTS

30 JUNE 2015

KAMIESBERG MUNICIPALITY

Index

Contents	Page
General Information	1
Approval of the Financial Statements	2
Report of the Auditor General	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes In Net Assets	6
Cash Flow Statement	7
Statement of Comparison of Budget and Actual Amounts - Statement of Financial Position	8
Statement of Comparison of Budget and Actual Amounts - Statement of Financial Performance	9
Statement of Comparison of Budget and Actual Amounts - Cash Flow Statement	10
Accounting Policies	11 - 47
Notes to the Financial Statements	48 - 91
APPENDICES	
A Schedule of External Loans	92
B Segmental Statement of Financial Performance - GFS Classifications	93
C Segmental Statement of Financial Performance - Municipal Votes	94
D Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	95

KAMIESBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GENERAL INFORMATION

NATURE OF BUSINESS

Kamiesberg Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) Grade 2 as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Kamiesberg Municipality includes the following areas of Garies, Hondeklipbaai, Kamassies, Kheis, Kharkams, Kamieskroon, Klipfontein, Leliefontein, Lepelsfontein, Nourivier, Paulshoek, Rooifontein, Soebatsfontein, Spoegrivier and Tweerivier.

MUNICIPAL MANAGER

JG Cloete

CHIEF FINANCIAL OFFICER

R Beukes

REGISTERED OFFICE

Private Bag X200
Garies
8220

AUDITORS

Auditor-General
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

First National Bank

ATTORNEYS

Schreuders

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations
Municipal Budget and Reporting Regulations

KAMIESBERG MUNICIPALITY

MEMBERS OF THE KAMIESBERG MUNICIPALITY

WARD

1
2
3
4
Proportional
Proportional
Proportional

COUNCILLOR

EA Stewens
PJ Willems
HG Links
MJ Cloete
SC Nero
MR Klaase
MS Cardinal

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 4 to 90 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

JG Cloete
Municipal Manager

Date

KAMIESBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

	Notes	2015 R	2014 R
NET ASSETS AND LIABILITIES			
Net Assets		71,616,655	77,810,598
Accumulated Surplus/(Deficit)		71,616,655	77,810,598
Non-Current Liabilities		18,312,661	10,684,419
Long-term Liabilities	2	344,236	290,285
Non-current Provisions	3	15,328,150	8,056,816
Non-current Employee Benefits	4	2,640,275	2,337,318
Current Liabilities		46,425,205	40,523,708
Consumer Deposits	5	1,369,119	29,774
Current Employee Benefits	6	1,794,542	1,538,173
Payables from exchange transactions	7	33,188,889	29,378,155
Unspent Conditional Government Grants and Receipts	8	9,854,167	8,142,075
Taxes	9.1	75,747	1,272,134
Current Portion of Long-term Liabilities	2	142,742	163,397
Total Net Assets and Liabilities		136,354,521	129,018,725
ASSETS			
Non-Current Assets		128,585,354	122,789,192
Property, Plant and Equipment	11	125,995,051	120,149,053
Investment Property	12	2,482,496	2,496,396
Intangible Assets	13	107,807	143,743
Current Assets		7,769,167	6,229,633
Inventory	14	81,995	53,638
Receivables from exchange transactions	15	4,875,760	798,203
Receivables from non-exchange transactions	16	1,946,631	5,181,017
Unpaid Conditional Government Grants and Receipts	8	-	-
Operating Lease Asset	17	6	1,471
Cash and Cash Equivalents	18.1	864,775	195,204
Total Assets		136,354,521	129,018,725

KAMIESBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 R	2014 R
REVENUE			
Revenue from Non-exchange Transactions		31,826,885	21,553,149
Taxation Revenue		6,293,251	3,164,373
Property Rates	19	6,293,251	3,164,373
Transfer Revenue		25,496,159	18,376,374
Government Grants and Subsidies	20	25,380,294	17,780,206
Public Contributions and Donations	21	115,865	596,169
Other Revenue		37,475	12,402
Fines		3,498	934
Actuarial Gains	4	33,977	11,468
Revenue from Exchange Transactions		14,130,549	12,078,168
Service Charges	22	9,840,000	7,940,254
Rental of Facilities and Equipment	23	280,624	213,720
Interest Earned - external investments	24	140,637	73,864
Interest Earned - outstanding receivables	25	2,545,667	2,444,735
Licences and Permits		122,434	342,124
Income for Agency Services		392,899	399,806
Other Income	26	808,289	863,665
Total Revenue		45,957,434	33,631,317
EXPENDITURE			
Employee related costs	27	(16,054,978)	(14,794,838)
Remuneration of Councillors	28	(2,292,447)	(1,809,256)
Debt Impairment	29	(9,233,822)	(2,847,077)
Depreciation and Amortisation	30	(9,647,947)	(9,012,615)
Repairs and Maintenance		(588,860)	(935,797)
Actuarial Losses	4	(13,538)	(316,030)
Finance Costs	31	(1,752,919)	(700,289)
Bulk Purchases	32	(5,088,521)	(9,860,681)
Contracted Services		(647,127)	(577,842)
Other Operating Grant Expenditure	33	(1,623,400)	(8,146,794)
General Expenses	34	(5,158,349)	(5,109,606)
Total Expenditure		(52,101,906)	(54,110,823)
Operating Surplus for the Year		(6,144,472)	(20,479,506)
Gains/(Loss) on Sale of Assets	35	(49,471)	(16,180)
(Impairment loss)/Reversal of impairment loss	36	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		(6,193,943)	(20,495,685)

KAMIESBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

	Accumulated Surplus/ (Deficit)	Total
	R	R
Balance at 1 July 2013	83,667,952	83,667,952
Correction of Error - note 37.7	14,638,331	14,638,331
Restated balance	98,306,283	98,306,283
Net Surplus/(Deficit) for the year	(20,495,685)	(20,495,685)
Net Surplus/(Deficit) previously reported	(20,017,857)	(20,017,857)
Effects of Correction of Errors - note 37.8	(477,829)	(477,829)
Restated balance at 30 June 2014	77,810,598	77,810,598
Net Surplus/(Deficit) for the year	(6,193,943)	(6,193,943)
Balance at 30 June 2015	71,616,654	71,616,654

KAMIESBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 R	2014 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		(4,757,638)	1,910,187
Sale of goods and services		14,788,146	6,247,529
Grants		27,092,386	20,704,363
Investment Income		140,637	73,864
Other receipts		1,635,836	2,217,581
Cash payments			
Employee costs		(17,973,943)	(16,168,991)
Suppliers		(10,569,738)	(10,094,003)
Finance costs		(679,005)	(90,527)
Net Cash from Operating Activities	38	9,676,682	4,800,003
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(9,092,246)	(1,100,744)
Proceeds on Disposal of Assets		51,840	17,955
Net Cash from Investing Activities		(9,040,406)	(1,082,789)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		273,960	-
Loans repaid		(240,664)	(161,347)
Net Cash from Financing Activities		33,296	(161,347)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		669,571	3,555,867
Cash and Cash Equivalents at the beginning of the year		195,204	(3,360,663)
Cash and Cash Equivalents at the end of the year	39	864,775	195,204
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		669,571	3,555,868

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2015 R	Actual Outcome as % of Final Budget
	R	R	R	R	R	R	R	%
ASSETS								
Current Assets								
Cash	641,690,250	-	641,690,250	-	-	641,690,250	136,202	-69.98%
Call Investment Deposits	-	-	-	-	-	-	728,573	100.00%
Consumer Debtors	-	-	-	-	-	-	6,701,253	100.00%
Other Debtors	4,278,000	-	4,278,000	-	-	4,278,000	121,143	-87.17%
Current Portion of long-term receivables	-	-	-	-	-	-	-	-
Inventory	52,250	-	52,250	-	-	52,250	81,995	56.93%
43.2.1	646,020,500	-	646,020,500	-	-	646,020,500	7,769,167	-98.80%
Non-Current Assets								
Long-term receivables	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	2,482,466	100.00%
Investment Property	-	-	-	-	-	-	-	-
Investment in Associates	-	-	-	-	-	-	-	-
Property, Plant and Equipment	104,088,000	-	104,088,000	-	-	104,088,000	125,995,051	21.05%
Agricultural Assets	-	-	-	-	-	-	-	-
Biological Assets	-	-	-	-	-	-	-	-
Intangible Assets	116,250	-	116,250	-	-	116,250	107,807	-7.26%
Other Non-Current Assets	-	-	-	-	-	-	-	-
43.2.2	104,204,250	-	104,204,250	-	-	104,204,250	128,585,354	23.40%
TOTAL ASSETS	750,224,750	-	750,224,750	-	-	750,224,750	136,354,521	-81.82%
LIABILITIES								
Current Liabilities								
Bank Overdraft	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	142,742	100.00%
Consumer Deposits	30,000	-	30,000	-	-	30,000	1,369,119	4463.73%
Trade and Other Payables	25,852,000	-	25,852,000	-	-	25,852,000	43,118,803	66.79%
Provisions	-	-	-	-	-	-	1,794,542	100.00%
43.2.3	25,882,000	-	25,882,000	-	-	25,882,000	46,425,205	79.37%
Non-Current Liabilities								
Borrowing	-	-	-	-	-	-	344,236	100.00%
Provisions	9,340,000	-	9,340,000	-	-	9,340,000	17,968,425	92.38%
43.2.4	9,340,000	-	9,340,000	-	-	9,340,000	18,312,661	96.07%
TOTAL LIABILITIES	35,222,000	-	35,222,000	-	-	35,222,000	64,737,866	83.80%
NET ASSETS								
Accumulated Surplus/(Deficit)	-	-	715,002,750	-	-	715,002,750	71,616,655	-89.88%
Reserves	-	-	-	-	-	-	-	-
Minorities' Interests	-	-	-	-	-	-	-	-
43.2.5	715,002,750	-	715,002,750	-	-	715,002,750	71,616,655	-89.98%
TOTAL NET ASSETS	715,002,750	-	715,002,750	-	-	715,002,750	71,616,655	-89.98%

KAMESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

Notes	Original Budget	Budget Adjustments (i.e. s23 and s31 of the MFMA)	Final Budget	Shifting of Funds (i.e. s31 of the MFMA)	Virement (i.e. Council approved by-law)	Final Budget	Actual Outcome 2015	Actual Outcome as % of Final Budget
	R	R	R	R	R	R	R	%
REVENUE								
Property Rates - Penalties & Collection Charges	4,256,507	1,409,505	5,666,012	-	-	5,666,012	6,293,251	11,07%
Service Charges - Electricity Revenue	4,898,812	319,223	5,208,035	-	-	5,208,035	4,186,966	-19,61%
Service Charges - Water Revenue	3,487,100	18,013	3,505,113	-	-	3,505,113	3,179,638	-9,29%
Service Charges - Sanitation Revenue	1,404,553	4,033	1,408,586	-	-	1,408,586	1,391,621	-1,20%
Service Charges - Refuse Revenue	1,877,106	70,309	1,947,415	-	-	1,947,415	1,081,774	-44,45%
Service Charges - Other Revenue	-	-	-	-	-	-	280,624	100,00%
Rental of Facilities and Equipment	-	-	-	-	-	-	140,637	100,00%
Interest Earned - External Investments	-	-	-	-	-	-	2,545,667	156,95%
Interest Earned - Outstanding Debtors	1,181,500	(190,777)	990,723	-	-	990,723	-	-
Dividends Received	-	-	-	-	-	-	3,498	100,00%
Fines	-	-	-	-	-	-	122,434	100,00%
Leases and Permits	-	-	-	-	-	-	382,898	100,00%
Agency Services	-	-	-	-	-	-	16,745,313	-11,34%
Transfers Recognised - Operational	18,887,500	-	18,887,500	-	-	18,887,500	842,266	78,39%
Other Revenue	371,000	101,136	472,136	-	-	472,136	-	-
Gains on Disposal of PPE	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	43,2,6	1,731,442	38,085,520	-	-	38,085,520	37,206,588	-2,31%
EXPENDITURE								
Employee Related Costs	15,036,000	(951,279)	14,084,721	-	-	14,084,721	16,088,516	14,08%
Remuneration of Councillors	2,532,000	-	2,532,000	-	-	2,532,000	2,292,447	-9,46%
Debt Impairment	-	-	-	-	-	-	9,233,822	100,00%
Depreciation and Asset Impairment	2,872,000	-	2,872,000	-	-	2,872,000	9,647,947	235,89%
Finance Charges	-	-	-	-	-	-	1,732,919	100,00%
Bulk Purchases	9,186,047	(1,382,691)	7,803,356	-	-	7,803,356	5,086,521	-34,79%
Other Materials	-	-	-	-	-	-	647,127	100,00%
Contracted Services	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	-	-	-
Other Expenditure	7,618,000	2,272,222	9,890,222	-	-	9,890,222	7,370,609	-25,48%
Loss on Disposal of PPE	-	-	-	-	-	-	49,471	100,00%
Total Expenditure	43,2,7	(61,748)	37,182,299	-	-	37,182,299	52,151,378	40,26%
Surplus/(Deficit)	(889,969)	1,793,190	903,221	-	-	903,221	(14,944,793)	-1754,61%
Transfers Recognised - Capital	9,129,000	-	9,129,000	-	-	9,129,000	8,634,961	-5,41%
Contributions Recognised - Capital	-	-	-	-	-	-	115,885	-
Contributed Assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	8,239,031	1,793,190	10,032,221	-	-	10,032,221	(6,193,943)	-161,74%
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	8,239,031	1,793,190	10,032,221	-	-	10,032,221	(6,193,943)	-161,74%
Attributable to Minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	8,239,031	1,793,190	10,032,221	-	-	10,032,221	(6,193,943)	-161,74%
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	8,239,031	1,793,190	10,032,221	-	-	10,032,221	(6,193,943)	-161,74%

KAMESBERG MUNICIPALITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

Notes	Original Budget	Budget Adjustments (i.e. 528 and 531 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.e. 531 of the MFMA)	Virement (i.e. Council approved by-law)	Final Budget	Actual Outcome 2015	Actual Outcome as % of Final Budget
	R	R	R	R	R	R	R	%
REVENUE								
Property Rates	4,256,507	1,409,505	5,666,012	-	-	5,666,012	6,293,251	11,07%
Property Rates - Penalties & Collection Charges	-	-	-	-	-	-	-	-
Service Charges - Electricity Revenue	4,888,812	319,223	5,208,035	-	-	5,208,035	4,186,965	-19,61%
Service Charges - Water Revenue	3,487,100	18,013	3,505,113	-	-	3,505,113	3,179,638	-9,29%
Service Charges - Sanitation Revenue	1,404,553	4,033	1,408,586	-	-	1,408,586	1,391,621	-1,20%
Service Charges - Refuse Revenue	1,877,108	70,309	1,947,415	-	-	1,947,415	1,081,774	-44,45%
Service Charges - Other Revenue	-	-	-	-	-	-	-	-
Rental of Facilities and Equipment	-	-	-	-	-	-	280,624	100,00%
Interest Earned - External Investments	1,181,500	-	-	-	-	-	140,637	100,00%
Interest Earned - Outstanding Debtors	-	-	-	-	-	-	2,543,667	156,95%
Dividends Received	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	3,498	100,00%
Licences and Permits	-	-	-	-	-	-	122,434	100,00%
Agency Services	-	-	-	-	-	-	392,899	100,00%
Transfers Recognised - Operational	18,887,500	-	18,887,500	-	-	18,887,500	16,745,313	-11,34%
Other Revenue	371,000	101,136	472,136	-	-	472,136	842,265	78,39%
Gains on Disposal of PPE	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	43,216	1,731,442	38,085,520	-	-	38,085,520	37,206,588	-2,31%
EXPENDITURE								
Employee Related Costs	15,036,000	(951,279)	14,084,721	-	-	14,084,721	16,058,516	14,08%
Remuneration of Councillors	2,532,000	-	2,532,000	-	-	2,532,000	2,262,447	-9,46%
Debt Impairment	-	-	-	-	-	-	9,233,822	100,00%
Depreciation and Asset Impairment	2,872,000	-	2,872,000	-	-	2,872,000	9,847,947	235,93%
Finance Charges	9,186,047	(1,382,591)	7,803,356	-	-	7,803,356	1,752,919	100,00%
Bulk Purchases	-	-	-	-	-	-	5,088,521	-34,78%
Other Materials	-	-	-	-	-	-	-	-
Contracted Services	-	-	-	-	-	-	647,127	100,00%
Transfers and Grants	7,618,000	2,272,222	9,890,222	-	-	9,890,222	7,370,609	-25,48%
Other Expenditure	-	-	-	-	-	-	49,471	100,00%
Loss on Disposal of PPE	-	-	-	-	-	-	-	-
Total Expenditure	43,227	(61,746)	37,162,299	-	-	37,162,299	52,151,378	40,26%
Surplus/(Deficit)	(869,969)	1,793,190	903,221	-	-	903,221	(14,944,789)	-1754,61%
Transfers Recognised - Capital	9,129,000	-	9,129,000	-	-	9,129,000	8,634,981	-5,41%
Contributions Recognised - Capital	-	-	-	-	-	-	115,865	-
Contributed Assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	8,239,031	1,793,190	10,032,221	-	-	10,032,221	(6,193,943)	-161,74%
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	8,239,031	1,793,190	10,032,221	-	-	10,032,221	(6,193,943)	-161,74%
Attributable to Minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	8,239,031	1,793,190	10,032,221	-	-	10,032,221	(6,193,943)	-161,74%
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	8,239,031	1,793,190	10,032,221	-	-	10,032,221	(6,193,943)	-161,74%

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2015	Actual Outcome as % of Final Budget
	R	R	R	R	R	R	R	%
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	23 810 000	-	23 810 000			23 810 000	11 666 344	-51.00%
Government - Operating	16 540 000	-	16 540 000			16 540 000	27 092 386	63.80%
Government - Capital	11 685 000	-	11 685 000			11 685 000	-	-100.00%
Interest	88 000	-	88 000			88 000	140 637	59.81%
Dividends	-	-	-			-	-	-
Payments								
Suppliers and Employees	(34 034 000)	-	(34 034 000)			(34 034 000)	(28 543 881)	-18.13%
Finance Charges	(130 000)	-	(130 000)			(130 000)	(679 005)	422.31%
Transfers and Grants	-	-	-			-	-	-
Net Cash from/(used) Operating Activities	17 959 000	-	17 959 000	-	-	17 959 000	9 676 682	-46.12%
CASH FLOW FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	119 000	-	119 000			119 000	51 840	-58.44%
Decrease/(Increase) in Non-Current Debtors	-	-	-			-	-	-
Decrease/(Increase) in Other Non-Current Receivables	-	-	-			-	-	-
Decrease/(Increase) in Non-Current Investments	-	-	-			-	-	-
Payments								
Capital Assets	(18 486 000)	-	(18 486 000)			(18 486 000)	(9 092 246)	-50.82%
Net Cash from/(used) Investing Activities	(18 367 000)	-	(18 367 000)	-	-	(18 367 000)	(9 040 406)	-50.78%
CASH FLOW FROM FINANCING ACTIVITIES								
Receipts								
Short Term Loans	-	-	-			-	-	-
Borrowing long term/refinancing	33 000	-	33 000			33 000	273 960	730.18%
Increase/(Decrease) in Consumer Deposits	-	-	-			-	-	-
Payments								
Repayment of Borrowing	-	-	-			-	(240 664)	100.00%
Net Cash from/(used) Financing Activities	33 000	-	33 000	-	-	33 000	33 296	0.90%
NET INCREASE/(DECREASE) IN CASH HELD	(375 000)	-	(375 000)	-	-	(375 000)	669 571	-278.55%
Cash and Cash Equivalents at the year begin:	2 951 000	-	2 951 000			2 951 000	195 204	-93.39%
Cash and Cash Equivalents at the year end:	2 576 000	-	2 576 000			2 576 000	864 775	-66.43%

	2015 R	2014 R
2. LONG TERM LIABILITIES		
Capitalised Lease Liability - At amortised cost	486,978	453,682
	486,978	453,682
Less: Current Portion transferred to Current Liabilities	(142,742)	(163,397)
Capitalised Lease Liability - At amortised cost	(142,742)	(163,397)
Total Long-term Liabilities - At amortised cost using the effective interest rate method	344,236	290,285

2.1 The obligations under finance leases are scheduled below:

Amounts payable under finance leases:

Payable within one year	204,360	225,555
Payable within two to five years	407,995	344,985
Payable after five years	-	-
	612,355	570,540
Less: Future finance obligations	(125,377)	(116,857)
Present value of finance lease obligations	486,978	453,683

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased Item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Nashua Mobile	Laptops & Modems	10%	0%	2 Years	31/01/2015
Nashua	Fex machines and Copiers	14%	0%	5 Years	28/02/2018

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Hire Purchases and Leases are secured by property, plant and equipment - Note 11

3. NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	15,328,150	8,056,818
Total Non-current Provisions	16,328,160	8,056,816

3.1 Landfill Sites

Balance 1 July	8,056,816	9,278,566
Contribution for the year	867,631	456,046
Change in Provision for Rehabilitation Cost	6,403,702	(1,677,796)
Total provision 30 June	16,328,150	8,056,816
Less: Transfer of Current Portion to Current Provisions	-	-
Balance 30 June	15,328,150	8,056,816

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Hondeklip Bay	Kilfontein	Soebatsfontein	Garles
Area (m ²)	6,175	2,392	2,952	12,878
Rehabilitation volume (m ³)	1,235	358	590	6,439
Fence (m)	420	-	350	-
Cost of fence (Rand)	243,600	-	203,000	-
Site Clearance (R60/m ³)	74,100	20,406	33,630	367,023
Excavation cost (R40/m ³)	133,929	159,620	250,100	2,917,550
Filling (R57/m ³)	351,975	136,344	168,264	734,046
Environmental impact assessment (Rand)	180,000	-	-	180,000
Application for permits (Rand)	35,000	-	-	35,000
Preliminary and general (Rand)	120,541	47,456	98,249	602,793
Fees and expenses (Rand)	92,414	36,383	75,324	462,141

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Tweerivier	Kharkams	Spoegrivier	Nourivier
Area (m²)	4,268	3,652	2,490	4,550
Rehabilitation volume (m³)	341	732	199	139
Fence (m)	-	-	200	-
Cost of fence (Rand)	-	-	115,000	-
Site Clearance (R50/m³)	19,437	41,747	11,343	7,923
Excavation cost (R40/m³)	152,990	294,550	110,545	50,658
Filling (R20/m³)	243,275	208,734	141,930	255,050
Preliminary and general (Rand)	62,355	81,770	55,973	50,045
Fees and expenses (Rand)	47,805	62,590	43,579	38,358

	Lellefontein	Roofontein/ Kamassies	Paulshoek	Kamieskroon
Area (m²)	5,250	5,440	4,900	14,500
Rehabilitation volume (m³)	577	322	392	2,900
Fence (m)	-	-	-	450
Cost of fence (Rand)	-	-	-	266,800
Site Clearance (R50/m³)	32,889	18,354	22,344	155,300
Excavation cost (R40/m³)	154,153	143,155	159,940	1,554,250
Filling (R20/m³)	299,250	357,080	279,300	826,500
Preliminary and general (Rand)	72,944	79,290	70,738	423,428
Fees and expenses (Rand)	55,924	60,789	54,232	324,628

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

Location	Estimated decommission date	2015 R	2014 R
Hondeklip Bay	2035	3,949,778	3,434,542
Klipfontein	2035	1,283,521	960,058
Soebatsfontein	2035	2,657,328	3,075,278
Garies	2019	6,689,301	2,254,899
Tweerivier	2035	1,686,518	160,849
Kharkams	2035	2,211,810	2,124,259
Spoegrivier	2035	1,540,932	1,318,245
Nourivier	2035	1,353,548	270,684
Lellefontein	2035	1,972,897	623,548
Roofontein/Kamassies	2035	2,144,540	453,142
Paulshoek	2035	1,913,229	442,701
Kamieskroon	2035	11,452,377	7,248,270
		38,855,577	22,366,273

4. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	1,902,843	1,551,530
Provision for Long Service Awards	737,432	575,588
Total Non-current Employee Benefits	2,640,275	2,337,318

Post Retirement Health Care Benefits

Balance 1 July	1,595,165	1,197,899
Contribution for the year	314,891	212,221
Expenditure for the year	(37,613)	(29,984)
Actuarial Loss/(Gain)	(33,977)	316,030
Total provision 30 June	1,939,467	1,595,155
Less: Transfer of Current Portion to Current Provisions - Note 6	(38,524)	(34,535)
Balance 30 June	1,902,843	1,551,530

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
<u>Long Service Awards</u>		
Balance 1 July	774,802	694,115
Contribution for the year	132,491	120,121
Expenditure for the year	(63,315)	(27,966)
Actuarial Loss/(Gain)	13,538	(11,468)
Total provision 30 June	857,516	774,802
Less: Transfer of Current Portion to Current Provisions - Note 6	(120,084)	(99,114)
Balance 30 June	737,432	676,688

4.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	20	17
In-service (employee) non-members	65	67
Continuation members (e.g. Retirees, widows, orphans)	2	2
Total Members	87	86

The liability in respect of past service has been estimated to be as follows:

In-service members	620,417	741,939
In-service non-members	611,365	643,146
Continuation members	307,665	306,662
Total Liability	1,939,467	1,691,949

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2012 R	2011 R
In-service members	513,533	393,335	-
In-service non-members	394,603	300,382	-
Continuation members	289,763	282,340	-
Total Liability	1,197,899	976,057	-

The municipality performed their first actuarial valuation on 30 June 2012. Thus there are no liability figures available before 30 June 2011 to fully comply with GRAP 25.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health

The Current-service Cost for the ensuing year is estimated to be R187 313, whereas the Interest Cost for the next year is estimated to be R174 930.

	2015 %	2014 %
Key actuarial assumptions used:		
i) Rate of Interest		
Discount rate	9.10	8.90
Health Care Cost Inflation Rate	8.26	8.10
Net Effective Discount Rate	0.78	0.73
ii) Mortality rates		
The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.		
iii) Normal retirement age		

The normal retirement age for employees of the municipality is 63 years for males and 58 years for females.

	2015 R	2014 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1,939,467	1,696,166
Fair value of plan assets	-	-
	<u>1,939,467</u>	<u>1,696,166</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	<u>1,939,467</u>	<u>1,696,166</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1,696,166	1,197,899
Total expenses	277,278	182,237
Current service cost	165,472	104,547
Interest Cost	149,419	107,674
Benefits Paid	(37,613)	(29,984)
Actuarial (gains)/losses	(33,977)	316,030
Present value of fund obligation at the end of the year	<u>1,939,467</u>	<u>1,696,166</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Post Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions	1.632	0.308	1.939	

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation	1%	1.963	0.327	2.290	18.00%
Health care inflation	-1%	1.366	0.290	1.657	-15.00%
Post-retirement mortality	-1 year	1.698	0.324	2.022	4.00%
Average retirement age	-1 year	1.819	0.308	2.126	10.00%
Withdrawal Rate	-10%	1.089	0.308	1.397	-28.00%

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	1%	195,800	173,300	369,100	17.00%
Health care inflation	-1%	140,800	129,800	270,600	-14.00%
Post-retirement mortality	-1 year	172,600	156,200	328,800	4.00%
Average retirement age	-1 year	163,000	156,100	319,100	1.00%
Withdrawal Rate	-10%	106,700	109,800	216,500	-31.00%

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(33,977.00)	316,030
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2012 R	2011 R
Liabilities: (Gain) / loss	(33,977)	41,262	-
Assets: Gain / (loss)	-	-	-

The municipality performed their first actuarial valuation on 30 June 2012. Thus there are no experience adjustment figures available before 30 June 2011 to fully comply with GRAP 25.

4.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 87 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R75 627 whereas the Interest Cost for the next year is estimated to be R56 864.

	2015 %	2014 %
Key actuarial assumptions used:		
i) Rate of Interest		
Discount rate	7.98	7.83
General Salary Inflation (long-term)	7.05	7.02
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.87	0.75
	2015 R	2014 R

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	857,516	774,802
Fair value of plan assets	-	-
	<u>857,516</u>	<u>774,802</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u>857,515</u>	<u>774,802</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	774,802	694,115
Total expenses	89,176	92,155
Current service cost	75,627	74,079
Interest Cost	56,864	46,042
Benefits Paid	(63,315)	(27,966)
Actuarial (gains)/losses	13,538	(11,468)
Present value of fund obligation at the end of the year	<u>857,515</u>	<u>774,802</u>

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2015 R	2014 R
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-

Sensitivity Analysis on the Unfunded Accrued Liability

	Change	Liability (Rm)	% change
Assumption			
Central assumptions			
General salary inflation	1%	0.912	6.00%
General salary inflation	-1%	0.808	-6.00%
Average retirement age	-2 yrs	0.786	-8.00%
Average retirement age	2 yrs	0.949	11.00%
Withdrawal rates	-50%	1.045	22.00%

	2016 R	2014 R
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	13,538	(11,468)
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2012 R	2011 R
Liabilities: (Gain) / loss	(2,887)	14,258	-
Assets: Gain / (loss)	-	-	-

The municipality performed their first actuarial valuation on 30 June 2012. Thus there are no experience adjustment figures available on or before 30 June 2012 to fully comply with GRAP 25.

4.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 99,9% (30 June 2013 - 105,1%).

Contributions paid recognised in the Statement of Financial Performance	859,448	713,108
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2015	2014
R	R

DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

National Fund Municipal Workers	78,894	73,224
SAMWU National Provident Fund	692,107	652,828
	<u>771,001</u>	<u>726,053</u>

5. CONSUMER DEPOSITS

Water and Electricity	1,369,119	29,670
Correction of Error - Note 37.1	.	104
Total Consumer Deposits	<u>1,369,119</u>	<u>29,774</u>

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding amount.

6. CURRENT EMPLOYEE BENEFITS

Staff Bonuses	394,998	359,820
Staff Leave	1,242,838	1,044,703
Current Portion of Non-Current Provisions	158,708	133,850
Current Portion of Post Retirement Benefits - Note 4	38,824	34,538
Current Portion of Long-Service Provisions - Note 4	120,084	99,114
Total Provisions	<u>1,784,542</u>	<u>1,638,173</u>

The movement in current provisions are reconciled as follows:

6.1 Staff Bonuses

Balance at beginning of year	359,820	297,822
Contribution to current portion	827,792	757,140
Expenditure Incurred	(792,814)	(695,142)
Balance at end of year	<u>394,998</u>	<u>359,820</u>

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

6.2 Staff Leave

Balance at beginning of year	1,044,703	792,276
Contribution to current portion	269,384	275,082
Expenditure Incurred	(71,252)	(22,655)
Balance at end of year	<u>1,242,836</u>	<u>1,044,703</u>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

	2015 R	2014 R
7. PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	27,181,107	23,631,867
Payments received in advance	808,003	765,926
Retentions	68,165	68,165
Other Creditors	5,131,615	5,384,218
Correction of Error - Note 37.2	-	(472,021)
Total Trade Payables	33,188,889	29,378,155

Payables are being recognised net of any discounts.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

8. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unspent Conditional Government Grants and Receipts	9,854,167	8,142,075
National Government Grants	6,930,744	5,638,953
Provincial Government Grants	2,599,298	2,067,985
District Municipality	324,125	435,137
Other Sources	-	-
Less: Unpaid Conditional Government Grants and Receipts	-	-
National Government Grants	-	-
Provincial Government Grants	-	-
District Municipality	-	-
Other Sources	-	-
Total Conditional Grants and Receipts	9,854,167	8,142,075

See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

9. TAXES		
9.1 VAT	(75,747)	2,830,474
Correction of Error - 37.3	-	(4,102,608)
Total Taxes (Payable)/Receivable	(75,747)	(1,272,134)

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

10. SHORT-TERM LOANS

The Municipality has no short term loans.

11. PROPERTY, PLANT AND EQUIPMENT

See attached sheet page 1

page 2

page 3

	2015 R	2014 R
11.3 Assets pledged as security:		
Leased Property, Plant and Equipment of R436 304 (2014: R395 375) is secured for leases as set out in Note 2.		
12. INVESTMENT PROPERTY		
Net Carrying amount at 1 July 2014	502,059	2,496,396
Cost	502,059	502,059
Correction of Error - Note 37.5	-	1,994,337
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Disposals	(13,900)	-
Depreciation for the year	-	-
Net Carrying amount at 30 June 2015	488,159	2,496,396
Cost	488,159	502,059
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Estimate Fair Value of Investment Property at 30 June 2015	488,159	502,059
13. INTANGIBLE ASSETS		
Net Carrying amount at 1 July 2014	143,743	173,480
Cost	262,405	262,405
Accumulated Amortisation	(118,662)	(88,925)
Accumulated Impairment Loss	-	-
Acquisitions	-	-
Amortisation	(35,936)	(31,445)
Correction of Error - Note 37.6	-	1,709
Net Carrying amount at 30 June 2016	107,808	143,743
Cost	262,405	262,405
Accumulated Amortisation	(154,597)	(118,662)
Accumulated Impairment Loss	-	-
No Intangible asset were assessed having an Indefinite useful life.		
There are no Internally generated Intangible assets at reporting date.		
There are no intangible assets whose title is restricted.		
There are no intangible assets pledged as security for liabilities.		
There are no contractual commitments for the acquisition of intangible assets.		
14. INVENTORY		
Consumable Stores - Stationery and materials - At cost	32,222	42,214
Water - At purification cost	49,773	11,425
Total Inventory	81,996	63,638

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

	2015 R	2014 R
15. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	5,718,432	3,759,656
Water	9,817,173	7,784,575
Refuse	4,163,955	3,477,601
Sewerage	2,220,661	1,817,822
Other Arrears	11,684,787	10,354,712
Total: Receivables from exchange transactions (before provision)	33,606,008	27,194,366
Less: Provision for Debt Impairment	(28,729,248)	(26,396,164)
Total: Receivables from exchange transactions (after provision)	4,876,760	798,203

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	1,560,000	215,110
31 - 60 Days	198,394	222,318
61 - 90 Days	153,927	178,725
+ 90 Days	3,806,110	3,145,503
Total	5,718,432	3,769,655

(Water): Ageing

Current (0 - 30 days)	261,886	285,310
31 - 60 Days	573,273	332,944
61 - 90 Days	283,316	266,154
+ 90 Days	8,718,697	8,900,187
Total	9,817,173	7,784,676

(Refuse): Ageing

Current (0 - 30 days)	101,800	103,208
31 - 60 Days	93,291	97,372
61 - 90 Days	88,995	88,263
+ 90 Days	3,879,869	3,188,758
Total	4,163,956	3,477,601

(Sewerage): Ageing

Current (0 - 30 days)	92,540	95,562
31 - 60 Days	78,665	86,613
61 - 90 Days	71,597	73,047
+ 90 Days	1,977,860	1,562,600
Total	2,220,661	1,817,822

(Other): Ageing

Current (0 - 30 days)	169,338	83,859
31 - 60 Days	204,548	89,670
61 - 90 Days	152,763	82,765
+ 90 Days	11,158,138	10,098,418
Total	11,684,787	10,364,712

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2014 R
<u>(Total): Ageing</u>		
Current (0 - 30 days)	2,185,565	783,049
31 - 60 Days	1,148,172	828,917
61 - 90 Days	730,598	686,954
+ 90 Days	29,540,674	24,895,446
Total	33,605,008	27,194,366

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	26,396,184	20,473,828
Contribution to provision	2,046,565	5,195,031
VAT on provision	286,519	727,304
Bad Debts written off against provision	-	-
Reversal of provision	-	-
Balance at end of year	28,729,248	26,396,164

The total amount of this provision is R28 729 248 and consist of:

Services	18,310,349	15,205,684
Other Debtors	10,418,899	11,190,479
Total Provision for Debt Impairment on Receivables from exchange transactions	28,729,248	26,396,164

Ageing of amounts past due but not impaired:

31 - 60 Days	1,148,172	-
61 - 90 Days	730,598	-
+ 90 Days	811,428	15,154
	2,690,195	15,154

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

16. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	11,727,860	7,864,228
Other Receivables	121,137	31,900
	11,848,998	7,896,127
Less: Provision for Debt Impairment	(9,902,367)	(2,715,111)
Total Receivables from non-exchange transactions	1,946,631	5,181,017

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

Current (0 - 30 days)	561,368	141,450
31 - 60 Days	205,053	430,870
61 - 90 Days	226,897	129,593
+ 90 Days	10,734,542	7,162,314
Total	11,727,860	7,864,228

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	2,715,111	5,063,064
Contribution to provision	7,187,256	-
Bad Debts written off against provision	-	-
Reversal of provision	-	(2,347,954)
Balance at end of year	<u>9,902,367</u>	<u>2,715,111</u>

The total amount of this provision is R9 902 367 and consist of:

Taxes	9,902,367	2,715,111
Other	-	-
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	<u>9,902,367</u>	<u>2,715,111</u>

Ageing of amounts past due but not impaired:

31 - 60 Days	205,053	430,870
61 - 90 Days	226,897	129,593
+ 90 Days	832,175	4,447,203
	<u>1,264,125</u>	<u>5,007,667</u>

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

17. OPERATING LEASE ARRANGEMENTS

17.1 The Municipality as Lessor

Operating Lease Asset	<u>6</u>	<u>1,471</u>
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Reconciliation

Balance at the beginning of the year	1,471	2,635
Movement during the year	(1,465)	(1,164)
Balance at the end of the year	<u>6</u>	<u>1,471</u>

At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:

Up to 1 Year	116	12,144
1 to 5 Years	-	116
More than 5 Years	-	-
Total Operating Lease Arrangements	<u>116</u>	<u>12,260</u>

Operating Leases relate to Property owned by the municipality with lease terms of between 3 to 6 (2014: 15 to 21) months, with an option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The impact of charging the escalations in Operating Leases on a straight-line basis over the term of the lease has been an decrease of R1 465 (2013: Decrease of R1 164) in current year income.

The following restrictions have been imposed by the municipality in terms of the lease agreements:

- (i) The lessee shall not have the right to sublet, cede or assign the whole or any portion of the premises let.
- (ii) The lessor is the duly authorised agent, representative or servant shall have the right at all reasonable times to inspect the premises let.
- (iii) The lessee shall use the premises let for the sole purpose prescribed in the agreement.

18. BANK ACCOUNTS

18.1 Cash and Cash Equivalents

Current Accounts	136,202	187,702
Call Investments Deposits	728,573	573,834
Correction of Error - Note 37.7	-	(566,332)
Total Cash and Cash Equivalents - Assets	864,776	195,204

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investments Deposits to an amount of R728 573 are held to fund the Unspent Conditional Grants (2014: R573 834).

A guarantee of R265 534 (2014: R265 534) for Deman Facility Individual Guarantee exists.

The municipality has the following bank accounts:

Current Accounts

First National Bank - Account Number 620 2250 1440 (Primary Bank Account):	136,202	187,702
	136,202	187,702

Call Investment Deposits

First National Bank - Account Number 62012466018:	1,000	1,038
First National Bank - Account Number 62182751729:	219,572	10,000
First National Bank - Account Number 82117682791:	18,778	100,303
First National Bank - Account Number 82117684606:	140	140
First National Bank - Account Number 74282299369:	239,800	226,703
First National Bank - Account Number 71053360915:	118,045	111,587
First National Bank - Account Number 71059354764:	131,221	124,080
Momentum 3D Gearing Plan - Account Number 1001327535:	(11)	(11)
	728,544	673,841

Details of current accounts are as follows:

First National Bank - Account Number 620 2250 1440 (Primary Bank Account):

Cash book balance at beginning of year	187,702	(3,967,366)
Cash book balance at end of year	136,202	187,702

Bank statement balance at beginning of year	46,326	73,215
Bank statement balance at end of year	136,025	46,326

First National Bank - Account Number 62012466018:

Cash book balance at beginning of year	1,038	1,023
Cash book balance at end of year	1,000	1,038

Bank statement balance at beginning of year	1,038	1,023
Bank statement balance at end of year	1,000	1,038

First National Bank - Account Number 62182751729:

Cash book balance at beginning of year	10,000	12,126
Cash book balance at end of year	219,572	10,000

Bank statement balance at beginning of year	10,000	12,126
Bank statement balance at end of year	219,572	10,000

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2014 R
First National Bank - Account Number 62117682791:		
Cash book balance at beginning of year	100,303	154,406
Cash book balance at end of year	<u>18,778</u>	<u>100,303</u>
Bank statement balance at beginning of year	100,303	154,406
Bank statement balance at end of year	<u>18,778</u>	<u>100,303</u>
First National Bank - Account Number 62117684606:		
Cash book balance at beginning of year	140	(849)
Cash book balance at end of year	<u>140</u>	<u>140</u>
Bank statement balance at beginning of year	140	(849)
Bank statement balance at end of year	<u>140</u>	<u>140</u>
First National Bank - Account Number 74282299369:		
Cash book balance at beginning of year	228,703	215,507
Cash book balance at end of year	<u>239,800</u>	<u>226,703</u>
Bank statement balance at beginning of year	228,703	215,507
Bank statement balance at end of year	<u>239,800</u>	<u>226,703</u>
First National Bank - Account Number 71053360915:		
Cash book balance at beginning of year	111,587	106,314
Cash book balance at end of year	<u>118,045</u>	<u>111,587</u>
Bank statement balance at beginning of year	111,587	106,314
Bank statement balance at end of year	<u>118,045</u>	<u>111,587</u>
First National Bank - Account Number 71059354764:		
Cash book balance at beginning of year	124,080	118,185
Cash book balance at end of year	<u>131,221</u>	<u>124,080</u>
Bank statement balance at beginning of year	124,080	118,185
Bank statement balance at end of year	<u>131,221</u>	<u>124,080</u>
Momentum 3D Gearing Plan - Account Number 1001327535:		
Cash book balance at beginning of year	(11)	(11)
Cash book balance at end of year	<u>(11)</u>	<u>(11)</u>
Bank statement balance at beginning of year	(11)	(11)
Bank statement balance at end of year	<u>(11)</u>	<u>(11)</u>

19. PROPERTY RATES

Actual

Rateable Land and Buildings	7,713,453	3,993,869
Less: Rebates	<u>(1,420,202)</u>	<u>(829,495)</u>
Total Assessment Rates	<u>6,293,261</u>	<u>3,164,373</u>

Valuations - 1 July 2014

Rateable Land and Buildings	1,365,794,300	1,001,596,818
Residential Property	207,026,400	200,904,057
Commercial Property	32,275,500	24,118,844
Industrial Property	3,659,200	21,500
Public Benefits Organisations	18,597,300	14,456,900
Agricultural Purposes	1,016,661,100	427,987,500
State - National/ Provincial Services	70,210,400	20,017,500
Municipal Property	17,364,400	314,090,517
Total Assessment Rates	<u>1,365,794,300</u>	<u>1,001,696,818</u>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate

Residential	1.18989c/R	1.12254c/R
Commercial	1.178483c/R	1.68381c/R
Agricultural	0.04997c/R	0.07858c/R
State	2.97473c/R	2.80635c/R
Industrial	1.178483c/R	1.68381c/R

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at a rate determined by the council on outstanding rates amounts.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential	- The first R15 000 on the valuation is exempted.
Public Benefit Organisations	- 100%
State	- 30%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2015 R	2014 R
20. GOVERNMENT GRANTS AND SUBSIDIES		
<u>Unconditional</u>		
Equitable Share	13,411,000	8,728,000
<u>Conditional</u>	11,069,294	9,052,208
Grants and Donations	11,069,294	9,052,206
Subsidies	-	-
Total Government Grants and Subsidies	25,380,294	17,780,206
 Government Grants and Subsidies - Operating	 16,745,313	 17,242,330
Government Grants and Subsidies - Capital	8,634,981	537,876
Total Government Grants and Subsidies	25,380,294	17,780,206
 Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	13,411,000	8,728,000
Budget & Treasury Office	10,797,607	7,718,927
Corporate Services	248,412	243,781
Planning & Development	47,176	121,136
Road Transport	878,100	759,762
Electricity	-	208,600
Total Government Grants and Subsidies	25,380,294	17,780,206
 20.1 Equitable Share		
Opening balance	-	-
Correction of Error	-	-
Grants received	13,411,000	13,681,000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(13,411,000)	(13,681,000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

	2015 R	2014 R
20.2 Local Government Financial Management Grant (FMG)		
Opening balance	-	-
Correction of Error	-	-
Grants received	1,800,000	1,650,000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1,800,000)	(1,650,000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

20.3 Municipal Systems Improvement Grant (MSIG)		
Opening balance	476,027	372,678
Correction of Error	-	-
Grants received	934,000	890,000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(867,471)	(788,651)
Conditions met - Capital	-	-
Conditions still to be met	542,555	478,027

The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

20.4 Municipal Infrastructure Grant (MIG)		
Opening balance	4,998,120	3,885,397
Correction of Error	-	-
Grants received	9,129,000	8,595,000
Interest received	-	-
Repaid to National Revenue Fund	-	(4,953,000)
Conditions met - Operating	-	-
Conditions met - Capital	(7,903,737)	(329,276)
Conditions still to be met	6,223,384	4,998,121

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

20.5 Integrated National Electrification Grant		
Opening balance	164,805	173,405
Correction of Error	-	-
Grants received	-	200,000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	(208,600)
Conditions still to be met	164,805	164,805

The grant was used to promote rural development and upgrade electricity infrastructure.

	2015 R	2014 R
20.6 Expanded Public Works Programme (EPWP)		
Opening balance	928,620	-
Correction of Error	-	-
Grants received	1,000,000	1,000,000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(144,855)	(71,380)
Conditions met - Capital	(731,244)	-
Conditions still to be met	<u>1,052,520</u>	<u>928,620</u>

The grant was used for job creation.

20.7 Department Water Affairs and Environment (DWAF)		
Opening balance	141,362	141,362
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>141,362</u>	<u>141,362</u>

The grant was used for the refurbishment of water infrastructure.

20.8 Department Cooperative Government, Housing & Traditional Affairs (COHGTA)		
Opening balance	-	504,697
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(504,697)
Conditions met - Capital	-	-
Conditions still to be met	<u>-</u>	<u>-</u>

The Housing grant was utilised for the development of erven and the erection of top structures.

20.9 Library Grant		
Opening balance	218,219	-
Correction of Error	-	-
Grants received	653,000	462,000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(248,412)	(243,781)
Conditions met - Capital	-	-
Conditions still to be met	<u>622,808</u>	<u>218,219</u>

The grant was used to finance library activities.

20.10 Project Nala		
Opening balance	620,180	236,450
Correction of Error	-	-
Grants received	-	504,866
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(121,136)
Conditions met - Capital	-	-
Conditions still to be met	<u>620,180</u>	<u>620,180</u>

The grant was used for job creation.

	2015 R	2014 R
20.11 <u>Department Finance, Economic Development & Tourism</u>		
Opening balance	50,000	50,000
Correction of Error	-	-
Grants received	50,000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>100,000</u>	<u>50,000</u>
The grant will be used for the Power Flower Run.		
20.12 <u>Tourism</u>		
Opening balance	78,451	22,776
Correction of Error	-	-
Grants received	-	55,675
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(47,176)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>31,275</u>	<u>78,451</u>
The grant was used for tourism activities.		
20.13 <u>Department Social Services</u>		
Opening balance	482	482
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>482</u>	<u>482</u>
The grant was used for various projects.		
20.14 <u>Department Sport, Arts and Culture</u>		
Opening balance	6,262	6,262
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>6,262</u>	<u>6,262</u>
The grant was used for various projects.		
20.15 <u>Drought Relief</u>		
Opening balance	24,409	24,409
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>24,409</u>	<u>24,409</u>
The grant was used for drought relief.		

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2014 R
20.16 <u>Namakwa DM</u>		
Opening balance	435,138	-
Correction of Error	-	-
Grants received	115,386	618,822
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(226,399)	(183,685)
Conditions met - Capital	-	-
Conditions still to be met	<u>324,125</u>	<u>435,137</u>
The grant was used for various projects.		
20.17 <u>Total Grants</u>		
Opening balance	8,142,075	5,217,918
Correction of Error	-	-
Grants received	27,092,386	25,657,363
Interest received	-	-
Repaid to National Revenue Fund	-	(4,953,000)
Conditions met - Operating	(18,745,313)	(17,242,330)
Conditions met - Capital	(8,634,981)	(537,876)
Conditions still to be met/(Grant expenditure to be recovered)	<u>9,854,167</u>	<u>8,142,075</u>
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	9,854,167	8,142,075
Unpaid Conditional Government Grants and Receipts	-	-
Total	<u>9,854,167</u>	<u>8,142,075</u>
21. PUBLIC CONTRIBUTIONS AND DONATIONS		
De Beers	-	490,031
Other	115,885	108,138
Total Public Contributions and Donations	<u>115,886</u>	<u>598,169</u>
22. SERVICE CHARGES		
Electricity	4,993,771	4,208,892
Water	3,792,337	3,198,738
Refuse Removal	1,659,778	1,520,272
Sewerage and Sanitation Charges	1,290,228	1,221,429
	<u>11,736,111</u>	<u>10,149,331</u>
Less: Income Forgone	<u>(1,896,112)</u>	<u>(2,180,229)</u>
Total Service Charges	<u>9,840,000</u>	<u>7,969,102</u>
Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
23. RENTAL OF FACILITIES AND EQUIPMENT		
Rental of facilities	280,444	212,728
Rental of equipment	180	992
Total Rental of Facilities and Equipment	<u>280,624</u>	<u>213,720</u>
24. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	140,637	73,864
Total Interest Earned - External Investments	<u>140,637</u>	<u>73,864</u>

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
25. INTEREST EARNED - OUTSTANDING RECEIVABLES		
Trade Receivables	2,545,667	2,444,735
Total Interest Earned - Outstanding Receivables	2,545,667	2,444,735
25. OTHER INCOME		
Building plans	7,930	7,453
Connection Fees	20,762	13,237
Commonage Rent	542,755	584,750
Motor Vehicle Number plates	-	3,952
Opening of graves	10,259	5,311
Photostat, Copies and Faxes	14,258	13,151
Telephone Cost Recover	10	1,615
Tender Documents	1,579	1,360
Training	-	19,707
Valuation Certificates	17,411	11,680
Sundry Income	193,324	1,428
Total Other Income	808,289	653,555
27. EMPLOYEE RELATED COSTS		
Employee Related Costs - Salaries and Wages	10,850,018	9,846,218
Employee Related Costs - Contributions for UIF and Pensions	1,678,127	1,393,425
Employee Related Costs - Contributions for Medical Aids	378,455	262,504
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	1,229,162	1,448,872
Housing Benefits and Allowances	143,180	145,324
Overtime Payments	537,760	487,845
Bonuses	827,792	757,140
Provision for leave	269,384	275,082
Contribution to provision - Long Service Awards - Note 4	75,627	74,079
Contribution to provision - Post Retirement Medical - Note 4	185,472	104,547
	16,054,978	14,794,836
<u>Less:</u> Employee Costs allocated elsewhere	-	-
Total Employee Related Costs	15,054,978	14,794,836
KEY MANAGEMENT PERSONNEL		
Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - Mr JG Cloete (Current)</i>		
Annual Remuneration	625,634	553,544
Travelling Allowance	196,500	180,485
Telephone Allowance	9,509	9,000
Annual Bonus	-	-
Contributions to UIF, Medical and Pension Funds	6,859	9,482
Total	838,502	752,511
<i>Remuneration of the Chief Financial Officer - Mr RC Beukes</i>		
Annual Remuneration	293,481	266,735
Car Allowance	81,793	70,160
Telephone allowance	9,000	9,000
Annual Bonus	22,301	20,884
Contributions to UIF, Medical and Pension Funds	66,914	64,487
Total	473,490	431,256

	2015 R	2014 R
Remuneration of Manager: Corporate Services - Mrs DC Beukes		
Annual Remuneration	267,618	254,305
Car Allowance	74,571	67,476
Telephone allowance	9,000	9,000
Annual Bonus	20,884	19,646
Contributions - UIF, Medical, Pension	85,791	59,055
Total	457,864	409,482
Remuneration of Manager: Economic Development Services - Mr IE Jenner (Resign)		
Annual Remuneration	-	220,423
Car Allowance	-	127,458
Telephone allowance	-	7,500
Annual Bonus	-	-
Contributions - UIF, Medical, Pension	-	4,840
Total	-	360,221
Remuneration of Manager: Technical Services - Mr FA Links		
Annual Remuneration	280,038	264,260
Car Allowance	130,393	116,120
Telephone allowance	9,000	9,000
Annual Bonus	34,832	20,884
Contributions - UIF, Medical, Pension	87,308	82,926
Total	541,570	493,190

28. REMUNERATION OF COUNCILLORS

EA Stewens		195,491
PJ Willems	224,507	195,575
HG Links	228,119	199,837
MJ Cloete	890,565	828,780
MS Joseph	225,203	-
EA Steenkamp	236,545	-
SC Nero	259,388	195,395
MR Klaase	228,119	198,999
MS Cardinal		195,380
Total Councillors' Remuneration	2,292,447	1,809,257

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	448,486	151,115	211,920	79,045	890,565
Councillors	874,596	272,007	129,013	126,265	1,401,882
Total Councillors' Remuneration	1,323,082	423,122	340,933	205,310	2,292,447

In-kind Benefits

The Councillor occupying the position of Mayor/Speaker of the municipality serves in a full-time capacity and is provided with office accommodation and secretariat support at the expense of the municipality in order to enable the councillor to perform his official duties.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

.....
Signed: Municipal Manager

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2015 R	2014 R
29. DEBT IMPAIRMENT		
Receivables from exchange transactions - Note 15	2,333,084	5,922,336
Receivables from non-exchange transactions - Note 16	7,187,256	(2,347,954)
	<u>9,520,341</u>	<u>3,574,382</u>
Less: VAT Portion on Debt Impairment	(286,519)	(727,304)
Total Debt Impairment	<u><u>9,233,822</u></u>	<u><u>2,847,077</u></u>
30. DEPRECIATION AND AMORTISATION		
Property, plant and equipment	9,612,011	8,595,878
Intangible assets	35,936	31,445
Correction of Error - Note 37.9	-	385,293
Total Depreciation and Amortisation	<u><u>9,647,947</u></u>	<u><u>9,012,615</u></u>
31. FINANCE COSTS		
Long-term Liabilities	79,520	88,964
Non-current Provisions	887,631	456,046
Non-current Employee Benefits	208,283	153,716
Creditors	599,485	1,563
Total Finance Costs	<u><u>1,762,919</u></u>	<u><u>700,289</u></u>
32. BULK PURCHASES		
Electricity	4,548,803	9,683,442
Water	539,718	649,260
Correction of Error - Note 37.2	-	(472,021)
Total Bulk Purchases	<u><u>5,088,521</u></u>	<u><u>9,860,681</u></u>
33. OTHER OPERATING GRANT EXPENDITURE		
Operating Grant Expenditure per Vote		
Budget & Treasury Office	1,063,203	4,573,897
Corporate Services	248,412	248,901
Planning & Development	85,387	82,951
Road Transport	226,399	2,620,778
Electricity	-	182,983
Correction of Error - Note 37.9	-	537,484
Total Operating Grant Expenditure	<u><u>1,623,400</u></u>	<u><u>8,146,794</u></u>
34. GENERAL EXPENSES		
Administration Costs	-	3,550
Advertising	21,588	12,504
Audit Fees	1,737,429	1,509,132
Bank Charges	67,597	67,997
Chemicals and Poison	186,465	39,132
Desalting	31,465	111,098
Fuel and Oil	607,723	522,800
Insurance	267,835	348,058
Legal Costs	177,667	71,129
Levies: SALGA	522,000	1,056,758
Licensing	32,385	26,274
Marketing and Public Relations	128,500	105,000
Materials	31,008	68,536
Printing and Stationery	297,811	331,160
Public Receptions	-	1,500
Refreshments	1,469	8,052
Rent - Plant and Vehicles	-	500
Special Projects/Programmes	165,918	62,856
Telephone Cost	711,893	670,751
Training Costs	-	10,808
Ward Committee Meetings	63,165	79,647
Other	106,430	2,363
Total General Expenses	<u><u>5,158,349</u></u>	<u><u>5,109,608</u></u>

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
35. GAINS/(LOSS) ON SALE OF ASSETS		
Property, plant and equipment	(49,471)	(17,955)
Correction of Error - Note 37.9	-	1,775
Total Gain/ (Loss) on Sale of Assets	(49,471)	(16,180)
36. (IMPAIRMENT LOSS)/ REVERSAL OF IMPAIRMENT LOSS		
Property, Plant and Equipment	-	-
Total (Impairment Loss)/ Reversal of Impairment Loss	-	-
37. CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
37.1 Consumer Deposits		
Balance previously reported	-	29,670
Consumer Deposit not recognised in prior years - Note 5	-	104
Restated Balance	-	29,774
Consumer Deposit not recognised in prior years.		
37.2 Payables from Exchange Transactions		
Balance previously reported	-	29,850,176
Correction of Trade Creditors - Note 7	-	(472,021)
Restated Balance	-	29,378,155
Correction of prior year Trade Creditors.		
37.3 Taxes		
Balance previously reported	-	2,830,474
Correction of VAT Control Accounts - Note 9	-	(4,102,608)
Restated Balance	-	(1,272,134)
Correction of VAT Control Accounts.		
37.4 Property, Plant and Equipment		
Balance previously reported		103,787,573
Cost	-	17,249,165
Infrastructure Assets - Water and Electricity Meters not recognised in prior years - Note 11	-	3,280,343
Infrastructure Assets - Work in Process duplicated in prior years - Note 11	-	(590,500)
Lease Asset Disposal recognised incorrectly in 2013/2014 - Note 11	-	1,775
Land recognised incorrectly in prior years - Note 11	-	14,557,546
Accumulated Depreciation	-	(887,685)
Infrastructure Assets - Depreciation on Water and Electricity Meters not recognised in before 1 July 2013 - Note 11	-	(500,684)
Infrastructure Assets - Depreciation on Water and Electricity Meters not recognised in 2013/2014 - Note 11	-	(147,947)
Infrastructure Assets - Depreciation recognised incorrectly in 2013/2014 - Note 11	-	(239,054)
Restated Balance	-	120,149,053
Correction of Land, Infrastructure and Lease Assets.		

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2014 R	
37.5 Investment Property			
Balance previously reported	-	502,059	
Land recognised incorrectly in prior years - Note 12	-	1,994,337	
Restated Balance	-	2,496,396	
Land recognised incorrectly in prior years.			
37.6 Intangible Assets			
Balance previously reported	-	142,034	
Accumulated Amortisation	-	1,709	
Amortisation calculated incorrectly in 2013/2014 - Note 13	-	1,709	
Restated Balance	-	143,743	
Correction of amortisation for 2013/2014.			
Correction of Consumer Accounts			
37.7 Cash and Cash Equivalents			
Balance previously reported		761,536	
Correction of payments allocated in incorrect financial year - Note 18		(537,484)	
Deposits recognised in incorrect financial year - Note 18		(28,848)	
Restated Balance	-	196,204	
Correction of Bank Reconciliation.			
37.8 Accumulated Surplus/(Deficit) - 1 July 2013			
Consumer Deposit not recognised in prior years - Note 37.1	-	(104)	
Correction of VAT Control Accounts - Note 37.1	-	(4,102,608)	
infrastructure Assets - Water and Electricity Meters not recognised in prior years - Note 37.4	-	3,280,343	
infrastructure Assets - Work in Process duplicated in prior years - Note 37.4	-	(590,500)	
infrastructure Assets - Depreciation on Water and Electricity Meters not recognised before 1 July 2013 - Note 37.4	-	(500,684)	
Land recognised incorrectly in prior years - Note 37.4	-	14,557,546	
Land recognised incorrectly in prior years - Note 37.5	-	1,994,337	
Total	-	14,638,331	
37.9 Changes to Statement of Financial Performance			
Movement on operating account as a result of GRAP standards not implemented in prior years:			
	Note	Balance previously reported	Restated Balance
Revenue			
Property taxes		3,164,373	3,164,373
Government Grants and Subsidies		17,780,206	17,780,206
Public Contributions and Donations		596,169	596,169
Fines		934	934
Actuarial Gains		11,468	11,468
Service Charges		7,969,102	7,940,254
Rental of Facilities and Equipment		213,720	213,720
Interest Earned - external investments		73,864	73,864
Interest Earned - outstanding receivables		2,444,735	2,444,735
Licences and Permits		342,124	342,124
Income for Agency Services		399,806	399,806
Other Income		683,665	663,665
Total		33,660,165	33,631,317

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Expenditure			
Employee related costs	(14,794,836)	-	(14,794,836)
Remuneration of Councillors	(1,809,256)	-	(1,809,256)
Debt Impairment	(2,847,077)	-	(2,847,077)
Depreciation and Amortisation	37.4 & 37.6 (8,627,323)	(385,293)	(9,012,615)
Repairs and Maintenance	(935,797)	-	(935,797)
Actuarial Losses	(316,030)	-	(316,030)
Finance Costs	(700,289)	-	(700,289)
Bulk Purchases	37.2 (10,332,701)	472,021	(9,860,681)
Contracted Services	(577,842)	-	(577,842)
Other Operating Grant Expenditure	37.8 (7,609,310)	(537,484)	(8,146,794)
General Expenses	(5,109,606)	-	(5,109,606)
Loss on Sale of Assets	37.4 (17,955)	1,775	(16,180)
Total	(53,678,022)	(446,981)	(54,127,003)
Net Surplus/(Deficit) for the year	(20,017,857)	(477,829)	(20,495,685)

**2015
R**

**2014
R**

38. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS

Surplus/(Deficit) for the year	(6,193,943)	(20,495,665)
Adjustments for:		
Depreciation and amortisation	9,647,947	9,012,615
Loss/(Gain) on disposal of property, plant and equipment	-	(1,775)
Government Grants and Subsidies received	27,092,366	25,657,383
Government Grants and Subsidies recognised as revenue	(25,360,294)	(17,760,206)
Government Grants and Subsidies repaid to National Revenue Fund	-	(4,953,000)
Contribution to provisions – Non-Current Provisions	667,631	458,046
Contribution from/to provisions - Current Employee Benefits	1,097,177	1,032,221
Contribution from/to provisions - Non-Current Employee Benefits	346,454	274,392
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	13,536	316,030
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(33,977)	(11,466)
Contribution to provisions – Bad debt	9,520,341	6,922,336
Reversal of Provision for Bad debt	-	(2,347,954)
Operating lease income accrued	1,465	1,164
Operating Surplus/(Deficit) before changes in working capital	16,978,724	(2,917,921)
Changes in working capital	(7,302,042)	7,717,924
Increase/(Decrease) In Consumer Deposits	1,339,346	-
Increase/(Decrease) In Trade and Other Payables	3,810,734	15,334,471
Increase/(Decrease) In Employee Benefits	(863,866)	(717,797)
Increase/(Decrease) in Taxes	(1,196,367)	(601,372)
(Increase)/Decrease in Inventory	(26,356)	21,672
(Increase)/Decrease in Trade Receivables from exchange transactions	(6,410,641)	(4,864,765)
(Increase)/Decrease In Other Receivables from non-exchange transactions	(3,952,871)	(1,254,186)
Cash generated/(absorbed) by operations	9,676,682	4,800,003

39. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Current Accounts - Note 18	136,202	(378,630)
Call Investments Deposits - Note 18	728,573	573,834
Total cash and cash equivalents	864,775	195,204

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R		
40. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES				
Cash and Cash Equivalents - Note 39	864,775	195,204		
<u>Less:</u>	(9,778,420)	(10,972,550)		
Unspent Committed Conditional Grants - Note 8	(9,854,167)	(8,142,075)		
VAT - Note 9	75,747	(2,830,474)		
Net cash resources available for internal distribution	(8,913,645)	(10,777,346)		
Allocated to:				
Capital Replacement Reserve	-	-		
Resources available for working capital requirements	(8,913,645)	(10,777,346)		
41. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION				
Long-term Liabilities - Note 2	486,978	453,682		
Used to finance property, plant and equipment - at cost	(486,978)	(453,682)		
	-	-		
Cash set aside for the repayment of long-term liabilities	-	-		
Cash invested for repayment of long-term liabilities	-	-		
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.				
42. BUDGET COMPARISONS				
	2016 Actual R	2015 Final Budget R	2015 Variance R	2015 Variance %
42.1 Operational Budget by Standard Classification				
<u>Revenue - Standard</u>				
Governance and Administration				
Executive & Council	(1,898,112)	(1,103,464)	(792,648)	71.83%
Budget & Treasury Office	32,252,210	22,941,405	9,310,805	40.59%
Corporate Services	793,807	528,328	265,481	50.25%
Community and Public Safety				
Community & Social Services	553,769	670,311	(116,542)	-17.39%
Sport and Recreation	129,068	19,332	109,736	567.64%
Public Safety	-	-	-	
Housing	-	-	-	
Health	-	-	-	
Economic and Environmental Services				
Planning & Development	272,934	1,245,751	(972,817)	-78.09%
Road Transport	884,210	6,522	877,688	13457.34%
Environmental Protection	-	-	-	
Trading Services				
Electricity	5,204,607	5,307,108	(102,501)	-1.93%
Water	4,342,613	4,310,235	32,378	0.75%
Waste Water Management	1,407,576	1,408,587	(1,011)	-0.07%
Waste Management	1,943,204	1,949,136	(5,932)	-0.30%
Other	-	-	-	
Total Revenue	45,887,886	37,283,249	8,604,637	23.08%

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 Actual R	2016 Budget R	2015 Variance R	2015 Variance %
<u>Expenditure - Standard</u>				
Governance and Administration				
Executive & Council	(3,585,467)	(3,513,638)	(71,829)	2.04%
Budget & Treasury Office	(9,826,411)	(11,719,251)	1,892,840	-16.15%
Corporate Services	(14,678,009)	(3,820,132)	(10,857,877)	284.23%
Community and Public Safety				
Community & Social Services	(186,241)	(20,000)	(166,241)	831.20%
Sport and Recreation	(79,520)	-	(79,520)	100.00%
Public Safety	-	-	-	
Housing	-	-	-	
Health	-	-	-	
Economic and Environmental Services				
Planning & Development	(896,878)	(1,920,883)	1,024,005	-53.31%
Road Transport	(2,648,903)	(1,932,323)	(716,580)	37.08%
Environmental Protection	-	-	-	
Trading Services				
Electricity	(12,201,975)	(8,340,900)	(5,861,075)	92.43%
Water	(3,069,344)	(2,787,521)	(281,823)	10.11%
Waste Water Management	-	-	-	
Waste Management	(4,909,082)	(2,995,284)	(1,913,798)	63.89%
Other	-	-	-	
Total Expenditure	(52,081,829)	(35,049,932)	(17,031,897)	48.69%
Surplus/(Oeficit) for the year	(6,193,943)	2,233,317	(8,427,260)	-377.34%

Details of material variances

Refer to note 43 for explanations.

42.2 Capital Expenditure by Standard Classification

Governance and Administration				
Executive and council	-	-	-	
Budget and Treasury Office	-	-	-	
Corporate Services	-	-	-	
Community and Public Safety	-	-	-	
Community and Social Services	-	-	-	
Sport and Recreation	-	-	-	
Public Safety	-	-	-	
Housing	-	-	-	
Health	-	-	-	
Economic and Environmental Services	-	-	-	
Planning and Development	-	-	-	
Road Transport	-	-	-	
Environmental Protection	-	-	-	
Trading Services	-	-	-	
Electricity	-	-	-	
Water	7,622,726	9,129	7,613,597	83400.12%
Waste Water Management	-	-	-	
Waste Management	-	-	-	
Other	-	-	-	
Total Capital Expenditure	7,622,726	9,129	7,613,597	83400.12%

Details of material variances

Refer to note 43 for explanations.

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

42.3 Operational Budget by Municipal Vote

Revenue - Vote

	2015 Actual R	2016 Budget R	2015 Variance R	2016 Variance %
Executive and Council	(1,896,112)	(1,103,464)	(792,648)	71.83%
Municipal Manager	(1,896,112)	(1,103,464)	(792,648)	71.83%
Councillors	-	-	-	
Finance and Administration	33,806,791	24,358,459	9,448,332	56.39%
Finance	32,252,210	22,941,405	9,310,805	40.59%
Administration	1,011,826	758,599	253,227	33.38%
Commonage	542,755	658,455	(115,700)	-17.57%
Community and Social Services	11,014	11,856	(842)	-15.35%
Cemeteries	10,259	11,033	(774)	-7.01%
Libraries	754	823	(69)	-8.34%
Sport and Recreation	129,068	19,332	109,736	-31.70%
Sportgrounds and Community Facilities	115,865	-	115,865	
Caravan Park	13,203	19,332	(6,129)	-31.70%
Waste Management	1,943,204	1,949,138	(5,932)	-0.30%
Refuse and Sanitation	1,943,204	1,949,138	(5,932)	-0.30%
Water	4,342,613	4,310,235	32,378	0.75%
Water	4,342,613	4,310,235	32,378	0.75%
Electricity	5,204,607	5,307,108	(102,601)	-1.93%
Electricity	5,204,607	5,307,108	(102,601)	-1.93%
Economic and Social Development	54,915	1,015,478	(960,563)	-94.59%
Local Economic Development	54,915	1,015,478	(960,563)	-94.69%
Technical and Roads	884,210	8,522	877,688	13457.34%
Streets	884,210	6,522	877,688	13457.34%
Waste Water Management	1,407,576	1,408,587	(1,011)	-0.07%
Sewerage	1,407,576	1,408,587	(1,011)	-0.07%
Total Revenue	45,887,886	37,283,249	8,604,637	23.08%

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 Actual R	2015 Budget R	2015 Variance R	2015 Variance %
Expenditure - Vote				
Executive and Council	(3,585,467)	(3,513,638)	(71,829)	2.04%
Municipal Manager	(894,326)	(921,974)	27,648	-3.00%
Councillors	(2,691,141)	(2,591,664)	(99,477)	3.84%
Finance and Administration	(24,690,661)	(15,559,383)	(9,131,278)	58.69%
Finance	(9,826,411)	(11,719,251)	1,892,840	-16.15%
Administration	(14,678,009)	(3,820,132)	(10,857,877)	284.23%
Commonage	(186,241)	(20,000)	(166,241)	831.20%
Community and Social Services	-	-	-	
Cemeteries	-	-	-	
Libraries	-	-	-	
Sport and Recreation	(79,520)	-	(79,520)	100.00%
Sportgrounds and Community Facilities	(79,520)	-	(79,520)	100.00%
Caravan Park	-	-	-	
Waste Management	(4,909,082)	(2,995,284)	(1,913,798)	63.89%
Refuse and Sanitation	(4,909,082)	(2,995,284)	(1,913,798)	63.89%
Water	(3,069,344)	(2,787,521)	(281,823)	10.11%
Water	(3,069,344)	(2,787,521)	(281,823)	10.11%
Electricity	(12,201,975)	(6,340,900)	(5,861,075)	92.43%
Electricity	(12,201,975)	(6,340,900)	(5,861,075)	92.43%
Economic and Social Development	(898,878)	(1,920,883)	1,024,005	-53.31%
Local Economic Development	(898,878)	(1,920,883)	1,024,005	-53.31%
Technical and Roads	(2,648,903)	(1,932,323)	(716,580)	37.08%
Streets	(2,648,903)	(1,932,323)	(716,580)	37.08%
Waste Water Management	-	-	-	
Sewerage	-	-	-	
Total Expenditure	(52,081,829)	(35,049,932)	(17,031,897)	48.59%
Surplus/(Deficit) for the year	(6,193,943)	2,233,317	(8,427,260)	-377.34%

Details of material variances

Refer to note 43 for explanations.

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 Actual R	2015 Budget R	2015 Variance R	2015 Variance %
42.4 Capital Expenditure by Municipal Vote				
Executive and Council	-	-	-	
Municipal Manager	-	-	-	
Councillors	-	-	-	
Finance and Administration	-	-	-	
Finance	-	-	-	
Administration	-	-	-	
Commonage	-	-	-	
Community and Social Services	-	-	-	
Cemeteries	-	-	-	
Libraries	-	-	-	
Sport and Recreation	-	-	-	
Sportgrounds and Community Facilities	-	-	-	
Caravan Park	-	-	-	
Waste Management	-	-	-	
Refuse and Sanitation	-	-	-	
Water	7,622,726	9,129,000	(1,506,274)	-16.50%
Water	7,622,726	9,129,000	(1,506,274)	-16.50%
Electricity	-	-	-	
Electricity	-	-	-	
Economic and Social Development	-	-	-	
Local Economic Development	-	-	-	
Technical and Roads	-	-	-	
Streets	-	-	-	
Waste Water Management	-	-	-	
Sewerage	-	-	-	
Total Capital Expenditure	7,622,726	9,129,000	(1,506,274)	-33.00%

Details of material variances

Refer to note 43 for explanations.

43 BUDGET INFORMATION

43.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to increases in electricity and solid waste tariff increases, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.

Explanation of variances greater than 5%: Final Budget and Actual Amounts

Statement of Financial Position

43.2.1 Current Assets

Cash

Incorrect budgeting.

Call Investment Deposits

Cash portion of unspent grants.

Consumer Debtors

Incorrect budgeting.

Other Debtors

Incorrect budgeting.

Inventory

Increase in inventory: consumables.

43.2.2 Non-Current Assets

Investment Property

Incorrect budgeting.

Property, Plant and Equipment

Correction of asset register. Unbundling of meters

Intangible Assets

Correction of asset register.

43.2.3 Current Liabilities

Borrowing

Repayment of finance leases.

Consumer Deposits

Correct allocation of consumer deposits

Trade and Other Payables

Increase due to cash flow problems.

Provisions

Incorrect budgeting.

43.2.4 Non-Current Liabilities

Borrowing

New finance leases.

Provisions

Provision for rehabilitation of landfill-sites and post-retirement benefits not included in budget.

43.2.5 Net Assets

Accumulated Surplus/(Deficit)

Net effect of all movements.

Statement of Financial Performance

43.2.5 Revenue

Property Rates

Increase in property rates due to new valuation roll.

Service Charges - Electricity Revenue

Consumption less than budgeted consumption.

Service Charges - Water Revenue

Consumption less than budgeted consumption.

Service Charges - Sanitation Revenue

Decrease in consumption.

Service Charges - Refuse Revenue

Consumption less than budgeted consumption.

Service Charges - Other Revenue

Availability charges included under other service charges.

Rental of Facilities and Equipment

Incorrect budgeting.

Interest Earned - External Investments

Increase in interest on call deposits.

Interest Earned - Outstanding Debtors

Increase due to non-payment by consumers.

Fines

Additional fines received from Provincial Traffic.

Licences and Permits

Incorrect budgeting.

Agency Services

Incorrect budgeting.

Transfers Recognised - Operational

Decrease due to unspent grants on year-end.

Other Revenue

Increase in public contributions.

Transfers Recognised - Capital

Decrease due to unspent grants on year-end.

43.2.7 Expenditure

Employee Related Costs

Incorrect budgeting.

Remuneration of Councillors

Decrease in travelling expenses.

Debt Impairment

Increase in provision for debt impairment.

Depreciation and Asset Impairment

Increase due to correction of asset register.

Finance Charges

Interest cost of provision for rehabilitation of landfill-site and post-retirement benefits not included in budget.

Bulk Purchases

Decrease in consumer consumption.

Contracted Services

Contracted services budgeted under Other Expenditure.

Other Expenditure

Decrease in operating grant expenditure.

Loss on Disposal of PPE

Finance leases repaid during the year.

Cash Flow Statement

43.2.8 Net Cash from Operating Activities

Ratepayers and other

Increase in consumer debt.

Government - Operating

Unspent grants on year-end.

Government - Capital

Unspent grants on year-end.

Interest

Interest on call accounts not included in budget.

Suppliers and Employees

Post-retirement benefits not included in budget.

Finance Charges

Increase in interest paid.

43.2.9 Net Cash from Investing Activities

Proceeds on disposal of PPE

Settlement of finance leases.

Capital Assets

Underspending of capital budget.

43.2.10 Net Cash from Financing Activities

Repayment of Borrowing

Settlement of finance leases.

	2015 R	2014 R
44. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
44.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	89,435,055	70,456,423
Unauthorised expenditure current year - operational	18,055,902	18,978,632
Unauthorised expenditure current year - capital	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	<u>107,490,957</u>	<u>89,435,055</u>

Unauthorised expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2015 R	2014 R
Over expenditure of approved budget - 2010	To be condoned by Council	29,684	29,684
Over expenditure of approved budget - 2011	To be condoned by Council	28,371,069	28,371,069
Over expenditure of approved budget - 2012	To be condoned by Council	16,738,583	16,738,583
Over expenditure of approved budget - 2013	To be condoned by Council	25,203,509	25,203,509
Over expenditure of approved budget - 2014	To be condoned by Council	18,978,632	18,978,632
Bank Shortages - 2011	None	28,274	28,274
Fraud Vehicle Registration - 2011	None	78,504	78,504
Withdrawal by former CFO, EB Toontjies - 2011	None	6,800	6,800
Over expenditure of approved budget - 2015	None	18,055,902	-
		<u>107,490,957</u>	<u>89,435,055</u>

44.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	1,257,707	788,798
Fruitless and wasteful expenditure current year	890,671	468,909
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>2,148,378</u>	<u>1,257,707</u>

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Legal Cost (Hondeklipbaal Stands) - 2011	None	199,191	199,191
Interest on late payment - Various Creditors - 2011	None	417,306	417,306
Interest on late payment - Various Creditors - 2012	None	172,301	172,301
Interest on late payment - Various Creditors - 2014	None	255,946	255,946
Interest on late payment - Various Creditors - 2015	None	537,535	-
Salary paid to employee J Links after he was dismissed	None	8,417	8,417
Interest and penalties paid to SARS - 2014	None	204,546	204,546
Interest and penalties paid to SARS - 2015	None	353,136	-
		<u>2,148,378</u>	<u>1,257,707</u>

44.3 Irregular expenditure

Reconciliation of Irregular expenditure:

Opening balance	8,431,124	6,377,155
Irregular expenditure current year	-	2,053,969
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Condonement supported by council	-	-
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting further action	<u>8,431,124</u>	<u>8,431,124</u>

Irregular expenditure awaiting condonement from National Treasury

8,431,124	8,431,124
-----------	-----------

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2015 R	2014 R
Expenditure contrary to SCM Processes - 2010	None	3,715,210	3,715,210
Expenditure contrary to SCM Processes - 2012	None	2,661,945	2,661,945
Preference point system not used for bids between R30 000 and R200 000	None	818,210	818,210
Tax Reference numbers not obtained for transactions between R10 000 - R30 000	None	1,235,759	1,235,759
		<u>8,431,124</u>	<u>8,431,124</u>

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

Possible irregular expenditure occurred during the year, of which the full extent is still under investigation:

Three quotations not obtained and payments were not included on deviation report .	None	40,345	-
Suppliers did not submit their declaration of interest.	None	74,044	-
		<u>114,389</u>	<u>-</u>

45. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

45.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

Opening balance	1,428,648	978,848
Council subscriptions	522,000	450,000
Amount paid - current year	-	-
Amount paid - previous years	-	-
Balance unpaid (Included in creditors)	<u>1,950,648</u>	<u>1,428,648</u>

45.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	2,804,125	1,700,290
Current year audit fee	2,333,998	1,103,835
External Audit - Auditor-General	1,980,669	786,942
Internal Audit	-	125,000
Interest	353,329	191,893
Amount paid - current year	-	-
Amount paid - previous year	-	-
Balance unpaid (Included in creditors)	<u>5,138,124</u>	<u>2,804,125</u>

45.3 VAT - [MFMA 125 (1)(c)]

VAT is payable on the payment basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year. The net of VAT Input Payables and VAT Output Receivables are shown in Note 9.

45.4 PAYE and UIF - [MFMA 125 (1)(c)]

Opening balance	1,510,441	391,616
Current year payroll deductions	1,907,160	1,714,983
Amount paid - current year	(720,502)	(596,158)
Balance unpaid (Included in creditors)	<u>2,697,098</u>	<u>1,510,441</u>

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2014 R
45.5 Pension and Medical Aid Deductions - [MFMA 126 (1)(c)]		
Opening balance	1,229,266	349,624
Current year payroll deductions and Council Contributions	3,279,938	2,827,685
Amount paid - current year	(2,635,091)	(1,598,420)
Amount paid - previous year	(1,150,603)	(349,623)
Balance unpaid (Included in creditors)	723,510	1,229,266

46.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2015:

	Outstanding more than 90 days
E Stewens	1,647
MJ Cloete	1,413
MR Klaase	502

45.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

	<u>Type of Deviation</u>				
	Amount	Single Supplier	Impossible	Impractical	Emergency
July	300,735	76,342	32,448	-	191,945
August	182,197	86,738	76,298	-	19,161
September	182,255	52,450	73,079	-	56,727
October	107,933	53,914	30,284	-	23,735
November	79,503	50,014	18,095	-	13,395
December	127,678	45,000	7,328	-	75,353
January	172,198	131,413	-	-	40,783
February	149,936	100,847	49,089	-	-
March	120,282	60,000	58,047	-	2,215
April	137,462	60,000	77,462	-	-
May	94,389	69,400	6,720	-	18,269
June	157,880	97,528	56,009	-	4,343
	1,812,426	883,645	482,857	-	445,925

46.8 The following suppliers did not indicate that a member is in service of the state as required by section 13 (c)(i) of the Supply Chain Management Regulations:

Service provider	Name of member	State Department	Contract Value
African Oxygen Ltd	KDK Mokhele	Nat: Science and Technology	1,845
Business Connexion	NN Kekana	Gauteng Film Commission	129,039

45.9 Awards to close family members of persons in service of the state as required by Section 45 of the Supply Chain Management Regulations:

Service provider	Name of member	State Department	Contract Value
Afren Power Projects (Pty) Ltd	GP Jantjie (spouse of CG Jantjie)	Namaqua District Municipality	279,346

	2015 R	2014 R
46.10 Material losses		
Electricity distribution losses		
Units purchased (Kwh)	5,850,908	6,364,907
Units lost during distribution (Kwh)	1,594,943	1,825,667
Percentage lost during distribution	27.26%	28.68%
Distribution loss (Rand Value)	1,455,726	1,918,155

	2015 R	2014 R
Water distribution losses		
Units purchased (ml)	296,931	379,971
Units lost during distribution (ml)	46,660	159,321
Percentage lost during distribution	15.71%	41.93%
Distribution loss (Rand Value)	447,936	1,266,602

46. CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

Approved and contracted for:

Infrastructure	2,008,530	4,502,000
	<u>2,008,530</u>	<u>4,502,000</u>
Total	<u>2,008,530</u>	<u>4,502,000</u>

This expenditure will be financed from:

Government Grants	2,008,530	4,502,000
	<u>2,008,530</u>	<u>4,502,000</u>
Total	<u>2,008,530</u>	<u>4,502,000</u>

47. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follows:

	2015 R	2014 R
1% (2014: 1%) Increase in interest rates	3,778	3,079
1% (2014: 1%) Decrease in interest rates	(3,778)	(3,079)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

All rates and services are payable within 30 days from invoice date. Refer to note 15 and 16 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2015 %	2015 R	2014 %	2014 R
<u>Non-exchange Receivables</u>				
Rates	100.00%	11,727,860	100.00%	7,884,228
<u>Exchange Receivables</u>				
Electricity	17.02%	5,718,432	13.83%	3,759,658
Water	29.21%	9,817,173	28.83%	7,784,575
Housing Rentals	0.00%	-	0.00%	-
Refuse	12.39%	4,163,955	12.79%	3,477,801
Sewerage	6.61%	2,220,681	6.68%	1,817,822
Other	34.77%	11,684,787	38.08%	10,354,712
	100.00%	33,605,008	100.00%	27,194,366

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 15 and 16 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2015 %	2015 R	2014 %	2014 R
<u>Long-term Receivables</u>				
Rates and Services	0.00%	-	0.00%	-
<u>Non-exchange Receivables</u>				
Rates	25.63%	9,902,367	9.33%	2,715,111
<u>Exchange Receivables</u>				
Services	74.37%	28,729,248	90.67%	26,396,164
	100.00%	38,631,615	100.00%	29,111,274

Ageing of amounts past due but not impaired are as follow:

	Exchange Receivables	Non-exchange Receivables
2015		
1 month past due	1,148,172	205,053
2+ months past due	1,542,024	1,059,072
	<u>2,690,195</u>	<u>1,264,125</u>
2014		
1 month past due	-	430,870
2+ months past due	15,154	4,576,796
	<u>15,154</u>	<u>5,007,666</u>

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2015 R	2014 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	33,605,008	27,194,368
Receivables from non-exchange transactions	11,848,998	7,896,127
Cash and Cash Equivalents	864,775	761,536
	<u>46,318,781</u>	<u>35,852,030</u>

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2015				
Long-term Liabilities	204,360	407,995	-	-
Trade and Other Payables	33,188,889			
	<u>33,393,249</u>	<u>407,995</u>	<u>-</u>	<u>-</u>

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Less than 1 year	Between 1 and 6 years	Between 5 and 10 years	More than 10 years
2014				
Long-term Liabilities	225,555	344,985	-	-
Trade and Other Payables	29,378,155	-	-	-
	<u>29,603,710</u>	<u>344,985</u>	<u>-</u>	<u>-</u>
			2016 R	2014 R

48. FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

Receivables from Exchange Transactions

Electricity	Financial Instruments at amortised cost	5,718,432	3,759,656
Water	Financial Instruments at amortised cost	9,817,173	7,784,575
Refuse	Financial Instruments at amortised cost	4,163,955	3,477,601
Sewerage	Financial Instruments at amortised cost	2,220,661	1,817,822
Other Arrears	Financial Instruments at amortised cost	11,684,787	10,354,712

Cash and Cash Equivalents

Call Deposits	Financial Instruments at amortised cost	728,573	573,834
Total Financial Assets		<u>34,469,783</u>	<u>27,955,903</u>

SUMMARY OF FINANCIAL ASSETS

Financial Instruments at amortised cost:

Receivables from Exchange Transactions	Electricity	5,718,432	3,759,656
Receivables from Exchange Transactions	Water	9,817,173	7,784,675
Receivables from Exchange Transactions	Refuse	4,163,955	3,477,601
Receivables from Exchange Transactions	Sewerage	2,220,661	1,817,822
Receivables from Exchange Transactions	Other Arrears	11,684,787	10,354,712
Cash and Cash Equivalents	Bank Balances	136,202	187,702
Cash and Cash Equivalents	Call Deposits	728,573	673,834
		<u>34,469,783</u>	<u>27,955,903</u>
Total Financial Assets		<u>34,469,783</u>	<u>27,955,903</u>

48.1 Financial Liabilities

Classification

Long-term Liabilities

Capitalised Lease Liability	Financial Instruments at amortised cost	486,978	453,682
Trade and Other Payables			
Trade Creditors	Financial Instruments at amortised cost	27,181,107	23,631,867
Payments received in advance	Financial Instruments at amortised cost	808,003	765,926
Retentions	Financial Instruments at amortised cost	68,165	68,165
Sundry Deposits	Financial Instruments at amortised cost	5,131,615	5,384,218
		<u>33,575,867</u>	<u>30,303,858</u>

SUMMARY OF FINANCIAL LIABILITIES

Financial Instruments at amortised cost:

Long-term Liabilities	Capitalised Lease Liability	486,978	453,682
Trade and Other Payables	Trade Creditors	27,181,107	23,631,867
Trade and Other Payables	Payments received in advance	808,003	765,926
Trade and Other Payables	Retentions	68,165	68,165
Trade and Other Payables	Sundry Deposits	5,131,615	5,384,218
		<u>33,676,867</u>	<u>30,303,858</u>

	2015 R	2014 R
49. STATUTORY RECEIVABLES		
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
Taxes	-	-
Val Receivable	-	-
Receivable from Non-Exchange Transactions	33,605,008	27,194,366
Rates	-	-
Fines	-	-
	<u>33,605,008</u>	<u>27,194,366</u>

50. EVENTS AFTER THE REPORTING DATE

The Municipality is not aware of any events after the reporting date.

51. IN-KIND DONATIONS AND ASSISTANCE

The municipality received the following In-kind donations and assistance:

- (l) Secondment of a Finance Advisor by National Treasury for two years.

52. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

63. CONTINGENT LIABILITY

Claims against Council	<u>1,300,000</u>	<u>780,000</u>
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The municipality is being sued by the widow of Mr LJ Swart for damages and loss of support. The municipality allegedly failed to switch off the electricity supply to the supply system on which Mr Swart was working as an independent contractor on behalf of the municipality, which caused Mr Swart to receive a fatal electrical shock. The municipality is defending the claim based on legal advice. A trial date has not been set to date. The claimed amount does not include legal costs. The outcome of the case is still uncertain.

The municipality does not have a permit or license for landfill-sites currently in use in Garies and Hondeklip Bay, and could be liable for a penalty, to a maximum amount of R10 000 000, in terms of section 68(1) National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008).

54. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

54.1 Related Party Transactions

	Rates	Service Charges	Other	Outstanding Balance
Year ended 30 June 2015				
Councillors				
MR Klaase	1,805	8,047	1,557	3,663
EA Stewens		2,044	430	2,479
MJ Cloete	6,561	15,479	430	5,548
MS Cardinal	1,326	1,838	430	840
SC Nero		1,504	430	551
	<u>9,692</u>	<u>28,912</u>	<u>3,277</u>	<u>13,081</u>
Municipal Manager and Section 57 Employees				
JG Cloete	-	9,238	430	803
F Links	1,004	4,405	430	776
	<u>1,004</u>	<u>13,643</u>	<u>860</u>	<u>1,679</u>

KAMIESBERG MUNICIPALITY NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Rates	Service Charges	Other	Outstanding Balance
Year ended 30 June 2014				
Councillors				
MJ Cloete	2,259	19,196		1,256
SC Nero	34	1,496		232
MR Klaase	-	8,450		4,503
MS Cardinal	144	1,547		213
	<u>2,437</u>	<u>30,689</u>	<u>-</u>	<u>6,204</u>
Municipal Manager and Section 57 Employees				
FA Links	292	3,738	-	734
DC Beukes	-	2,457	-	451
JG Cloete	-	9,407	-	1,735
	<u>292</u>	<u>15,602</u>	<u>-</u>	<u>2,920</u>

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

54.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

54.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 28 to the Annual Financial Statements.

64.4 Other related party transactions

The following purchases were made during the year where Members of the Audit Committee have an interest:

<u>Audit Committee Member</u>	<u>Entity</u>	2015 R	2014 R
SG Fortuin	Afren Power Projects (Pty) Ltd	279,346	-
		<u>279,346</u>	<u>-</u>

56. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the social-economic profile (high unemployment rate) of Kamiesberg communities resulted in a serious risk for Kamiesberg Municipality's going concern.

Unless sustainable job creation is achieved, Kamiesberg Municipality will not be able to function as a going concern without Government Grants and Subsidies.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

11. PROPERTY, PLANT AND EQUIPMENT

11.1 30 JUNE 2015

Reconciliation of Carrying Value		Land R	Buildings R	Infrastructure R	Lease Assets R	Other R	Total R
Carrying Value at 1 July 2014		21,832,843	11,066,904	85,221,809	395,375	1,602,123	120,149,053
Cost		21,832,843	20,539,026	194,827,721	773,810	4,312,288	242,285,687
Original Cost		21,832,843	20,539,026	194,827,721	773,810	4,312,288	242,285,687
Accumulated Depreciation and Impairment Losses		-	(9,442,123)	(109,605,912)	(378,435)	(2,710,164)	(122,136,634)
Original Cost		-	(9,442,123)	(109,605,912)	(378,435)	(2,710,164)	(122,136,634)
Acquisitions		187,647	-	2,355,904	273,960	374,003	3,191,513
Capital under Construction		-	-	5,900,733	-	-	5,900,733
Depreciation		-	(724,919)	(8,194,623)	(195,091)	(527,378)	(9,612,011)
Normal Depreciation		-	(724,919)	(8,194,623)	(195,091)	(527,378)	(9,612,011)
Carrying value of disposals		-	-	-	(37,940)	-	(37,940)
Cost		-	-	-	(334,878)	-	(334,878)
Accumulated Depreciation		-	-	-	296,938	-	296,938
IGRAP 2 Adjustments		-	-	6,403,702	-	-	6,403,702
Cost		-	-	5,474,015	-	-	5,474,015
Reversal of Impairment losses		-	-	1,118,704	-	-	1,118,704
Impairment losses		-	-	(189,016)	-	-	(189,016)
Carrying Value at 30 June 2015		22,020,489	10,371,985	91,717,524	436,304	1,448,749	125,985,051
Cost		22,020,489	20,539,026	208,556,372	712,862	4,586,291	256,517,070
Original Cost		22,020,489	20,539,026	208,556,372	712,862	4,586,291	256,517,070
Accumulated Depreciation and Impairment Losses		-	(10,167,041)	(116,840,848)	(276,558)	(3,237,542)	(130,522,019)
Original Cost		-	(10,167,041)	(116,840,848)	(276,558)	(3,237,542)	(130,522,019)

Reconciliation of Carrying Value		Land R	Buildings R	Infrastructure R	Lease Assets R	Other R	Total R
Carrying Value at 1 July 2013		21,832,843	11,821,822	93,343,311	578,924	2,148,284	129,725,163
Cost		21,832,843	20,539,026	193,726,977	906,055	4,312,288	241,317,189
Original Cost		7,275,297	20,539,026	191,037,133	906,055	4,312,288	224,069,799
Correction of Error - Note 37.4		14,557,546	-	2,689,844	-	-	17,247,390
Accumulated Depreciation and Impairment Losses		-	(8,717,204)	(100,393,666)	(327,131)	(2,164,024)	(111,592,026)
Original Cost		-	(8,717,204)	(99,882,982)	(327,131)	(2,164,024)	(111,091,342)
Correction of Error - Note 37.4		-	-	(500,684)	-	-	(500,684)
Acquisitions		-	-	1,100,744	-	-	1,100,744
Capital under Construction		-	(724,918)	(7,544,450)	(167,370)	(546,140)	(8,982,879)
Depreciation		-	(724,918)	(7,157,449)	(167,370)	(546,140)	(8,595,878)
Normal Depreciation		-	-	(387,001)	-	-	(387,001)
Backlog Depreciation previously not recorded - Note 37.4		-	-	-	(16,180)	-	(16,180)
Carrying value of disposals		-	-	-	-	-	-
Cost		-	-	-	(134,021)	-	(134,021)
Correction of Error - Note 37.4		-	-	-	1,775	-	1,775
Accumulated Depreciation		-	-	-	116,066	-	116,066
Impairment losses		-	-	(1,677,796)	-	-	(1,677,796)
IGRAP 2 Adjustments		-	-	(1,677,796)	-	-	(1,677,796)
Carrying Value at 30 June 2014		21,832,843	11,096,504	85,221,609	395,375	1,602,123	120,149,053
Cost		21,832,843	20,539,026	194,827,721	773,810	4,312,288	242,285,687
Original Cost		21,832,843	20,539,026	194,827,721	773,810	4,312,288	242,285,687
Accumulated Depreciation and Impairment Losses		-	(9,442,123)	(109,605,912)	(378,435)	(2,710,164)	(122,136,634)
Original Cost		-	(9,442,123)	(109,605,912)	(378,435)	(2,710,164)	(122,136,634)

APPENDIX A
KAMIESBERG MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2014	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2015
LEASE LIABILITY								
Nashua	14.00%	Various		451,630	-	273,960	(238,611)	486,979
Nashua Mobile	10.00%	Various		2,053	-	-	(2,053)	(0)
Total Lease Liabilities				453,683	-	273,960	(240,664)	486,979
TOTAL EXTERNAL LOANS				453,683	-	273,960	(240,664)	486,979

APPENDIX B

KAMIESBERG MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

GENERAL FINANCE STATISTIC CLASSIFICATIONS

2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R		2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R
(1,821,260)	(3,073,687)	(4,894,947)	Executive & Council	(1,896,112)	(3,585,467)	(5,481,579)
21,043,494	(12,458,985)	8,584,509	Budget & Treasury Office	32,252,210	(9,826,411)	22,425,799
693,426	(8,437,514)	(7,744,038)	Corporate Services	793,807	(14,678,009)	(13,884,202)
284,374	(846,843)	(562,469)	Planning & Development	272,934	(896,878)	(623,944)
-	-	-	Health	-	-	-
591,005	-	591,005	Community & Social Services	553,769	(186,241)	367,528
-	-	-	Housing	-	-	-
-	-	-	Public Safety	-	-	-
610,431	(88,964)	521,467	Sport and Recreation	129,068	(79,520)	49,548
-	-	-	Environmental Protection	-	-	-
1,776,635	(4,275,946)	(2,499,311)	Waste Management	1,943,204	(4,909,082)	(2,965,877)
1,326,977	-	1,326,977	Waste Water Management	1,407,576	-	1,407,576
768,206	(4,627,521)	(3,859,316)	Road Transport	884,210	(2,648,903)	(1,764,693)
3,698,714	(7,931,621)	(4,232,907)	Water	4,342,613	(3,069,344)	1,273,269
4,629,893	(12,356,498)	(7,726,606)	Electricity	5,204,607	(12,201,975)	(6,997,368)
33,601,894	(54,097,580)	(20,495,686)	Sub Total	45,887,886	(52,081,829)	(6,193,943)
-	-	-	Less Inter-Departmental Charges	-	-	-
33,601,894	(54,097,580)	(20,495,686)	Total	45,887,886	(52,081,829)	(6,193,943)

APPENDIX C
KAMIESBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016
MUNICIPAL VOTES CLASSIFICATIONS

2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R		2015 Actual Income R	2015 Actual Expenditure R	2015 Surplus/ (Deficit) R
(1,821,280)	(804,302)	(2,625,562)	EXECUTIVE & COUNCIL	(1,896,112)	(894,328)	(2,790,438)
-	(2,269,385)	(2,269,385)	Municipal Manager	-	(2,691,141)	(2,691,141)
			Councillors			
21,043,494	(12,458,985)	8,584,509	FINANCE & ADMINISTRATION	32,252,210	(9,826,411)	22,425,799
858,664	(8,437,514)	(7,580,850)	Finance	1,011,828	(14,678,009)	(13,666,183)
584,760	-	584,760	Administration	542,755	(186,241)	356,514
			Commonage			
5,311	-	5,311	COMMUNITY & SOCIAL SERVICES	10,259	-	10,259
934	-	934	Cemeteries	754	-	754
			Libraries			
596,169	(88,964)	507,205	SPORT AND RECREATION	115,865	(79,520)	36,345
14,263	-	14,263	Sportgrounds and Community Facilities	13,203	-	13,203
			Caravan Park			
1,776,635	(4,275,946)	(2,499,311)	WASTE MANAGEMENT	1,943,204	(4,909,082)	(2,965,877)
			Refuse and Sanitation			
3,898,714	(7,931,621)	(4,232,907)	WATER	4,342,613	(3,089,344)	1,273,269
			Water			
4,629,893	(12,358,498)	(7,726,606)	ELECTRICITY	5,204,607	(12,201,975)	(8,997,368)
-	-	-	Electricity			
121,136	(848,843)	(725,707)	ECONOMIC AND SOCIAL DEVELOPMENT	54,915	(896,878)	(841,963)
			Local Economic Development			
768,208	(4,827,521)	(3,859,318)	TECHNICAL AND ROADS	884,210	(2,848,903)	(1,764,693)
			Streets			
1,328,977	-	1,328,977	WASTE WATER MANAGEMENT	1,407,576	-	1,407,576
			Sewerage			
33,801,894	(54,097,580)	(20,495,686)	Sub Total	45,887,886	(52,081,829)	(8,193,943)
-	-	-	Less Inter-Departmental Charges			
33,801,894	(54,097,580)	(20,495,686)	Total	45,887,886	(52,081,829)	(8,193,943)

APPENDIX D
KAMIESBERG MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2014	Correction of Error	Restated Balance 30 June 2014	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2015	Unspent 30 June 2015 (Creditor)	Unpaid 30 June 2015 (Debtor)
National Government Grants											
Equitable Share	-	-	-	13,411,000	-	-	(13,411,000)	-	-	-	-
Finance Management Grant	-	-	-	1,800,000	-	-	(1,800,000)	-	-	-	-
Municipal System Improvement Grant	476,027	-	476,027	934,000	-	-	(867,471)	-	542,555	542,555	-
Municipal Infrastructure Grant	4,998,120	-	4,998,120	9,129,000	-	-	-	(7,903,737)	6,223,384	6,223,384	-
Integrated National Electrification Grant	164,805	-	164,805	-	-	-	-	-	164,805	164,805	-
Total National Government Grants	5,638,952	-	5,638,952	25,274,000	-	-	(16,078,471)	(7,903,737)	6,930,744	6,930,744	-
Provincial Government Grants											
Expanded Public Works Programme	928,620	-	928,620	1,000,000	-	-	(144,855)	(731,244)	1,052,520	1,052,520	-
Department Water Affairs and Environment	141,362	-	141,362	-	-	-	-	-	141,362	141,362	-
Housing	-	-	-	-	-	-	-	-	-	-	-
Library	218,219	-	218,219	653,000	-	-	(248,412)	-	622,808	622,808	-
Project Nala	620,180	-	620,180	-	-	-	-	-	620,180	620,180	-
Department Finance, Economic Development & Tourism	50,000	-	50,000	50,000	-	-	-	-	100,000	100,000	-
Tourism	78,451	-	78,451	-	-	-	(47,176)	-	31,275	31,275	-
Department Social Services	482	-	482	-	-	-	-	-	482	482	-
Department Sport, Arts and Culture	6,262	-	6,262	-	-	-	-	-	6,262	6,262	-
Drought Relief	24,409	-	24,409	-	-	-	-	-	24,409	24,409	-
Total Provincial Government Grants	2,067,985	-	2,067,985	1,703,000	-	-	(440,443)	(731,244)	2,599,298	2,599,298	-
District Municipality											
Namakwa DM	435,138	-	435,138	115,386	-	-	(226,399)	-	324,125	324,125	-
Total District Municipality Grants	435,138	-	435,138	115,386	-	-	(226,399)	-	324,125	324,125	-
Total Grants	8,142,075	-	8,142,075	27,092,386	-	-	(16,745,313)	(8,634,981)	9,854,167	9,854,167	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.